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PARIS, FRIDAY, DECEMBER 30, 1988

ESTABLISHED 1887

Models, claiming they were tool of hearts in Paris be displayed in China's first extended and personal property of hearts and are refined Art Institute in Beijing. The paintings would not be pet bitson and with the sales of eart and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works, the China's first extended and a series of postcards dept the art works are the postcards dept the art works. **Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Art Institute in Reiging The Extended South and the Institute in Reiging The Extended South and the Institute in Re Johanny Cash has reported come the lung complications fered over the weekend and its listed in stable condition. Shutdown in U.S. ferred over the workend and a listed in stable condition as proving at Baptist Hospital in ville. The 56-year-old Cath had a more beautiful.

By Molly Moore Washington Post Service

ble-bypass heart surgery list by WASHINGTON — A government commission on Thursday rec-Eagelbert Humperdinct last ommended shutting down 86 domestic U.S. military installations in the National Enquire, one in 59 others across the country in hatred and ridicule by land porting that he had AIDS he stated the singer does not.

The proposed list of changes in

Danny Uwnawich, a pole, Elvis Presley impersonant Leaders of the congressional mil-itary committees predicted that the it was not chough to make idol's looks and stage at at building a scaled down late.

Graceland, Presley's eta. proposal would be passed by Congress, which must either accept or home, now under comme reject the plan as a whole without changes.

formia, features white will The commission did not include gates shaped like an opa i overseas installations in its review. book, just like those grades late singer's estate outsite Among the largest installations recommended for closing are three Air Force bases in California — George, Mather and Norton, Cali-The salesman Mel Suba formia is the state that would be most affected by the report, which putedly the world's lodes & recommended that six installations has decided to more from a there be shut.

ing project near Southware Other major bases that would be closed were Fort Sheridan in Illisays he will disturb only be;

nois and Pease Air Force Base in New Hampshire.

Although military leaders said they found few surprises on the long-awaited list, the recommendations provoked anger and concern from many members of congress and local government officials near installations that stand to be closed or significantly reduced.

stated the singer does to be considered immune deficient, drome. Furthermore, it said have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes in have a hard time swanowing in the proposed list of changes i on Base Realignment and Closure.
"We've tried to deal with these impacts as best we can, and yet it would not be fair to suggest that there are not going to be some socio-economic impacts."

> Mr. Ribicoff said many of the bases targeted for closing were outdated and could not provide "fu-ture training for future wars."

The report was delivered to Defense Department officials and congressional leaders after seven months of secret work by a 12iber commission appointed by Mr. Carlucci. The list must be either accepted

or rejected in its entirety by both Mr. Carlucci and Congress before See CUTBACK, Page 8

Progressive economists like Nikolai

P. Shmelyov, who have said that

the state must cut subsidies and let

dictate prices, have acknowledged that such a shift would cause wide-

This is a horrible question, an

impossible one, because it it so

should be priced at five rubles, he said, while a Soviet car priced at

9,000 rubles is really worth only

The chairman of the State Com-

mittee on Prices, Valentin S. Pav-

lov, has said repeatedly that the elimination of subsidies would pro-

vide incentives for state industries

In Washington last year, Abel G.

Aganbegyan, an economist who is

close to the Soviet leader, said that

cuts in the subsidies and parallel

emptiness is the bane of all shop-

half that.

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spread public dissension.

rels. Switzer. 50, whose 8754 snore is as loud as a frague 50 yards, seid on Wednesde Moscow Announces neighbors have never one but you know I mad be seven neighbors in the b years." The subject of see vision programs, Switch: Limited Price Cuts vision programs, Switzers ingly outsnered other con

By David Remnick

Washington Post Service MOSCOW - The Soviet Union tried Thursday to ease public anxiety that changes in pricing policy the market, and not state planners, would cause rapid inflation, andictate prices, have acknowledged nouncing sharp cuts in the price of some consumer goods for 1989.

In an article published in the weekly Communist Party newspaper Argumenty i Fakty, Ivan Gorbachev, deputy chairman of the
State Committee on Prices, said

Henoted that two years ago he had that price cuts of 10 to 30 percent advocated swift changes in pricing, would take hold next month on but said that he now thought "the textile goods and some appliances. slower the better."

He was quoted as saying that the A major overhaul of Soviet pricchange). Mr. Gorbachev, who is likely have a mainly symbolic imnot related to the Soviet leader, also pact. They appeared aimed at easaid that state planners would step ing apprehensions that the elderly, up production of cheaper, highsaid that state planners would step up production of cheaper, highquality consumer goods aimed at children and the elderly.

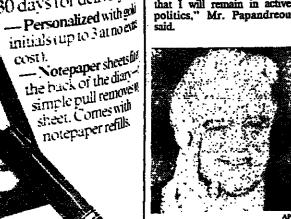
were to increase. Price reform has been one of the most controversial domestic issues of economic restructuring under

Kiosk

Papandreou Vows to Stay

ATHENS (AP) - Prime Minister Andreas Papandreon said Thursday that he would not resign in the face of a se-ries of widening financial scandals in his Socialist gov-

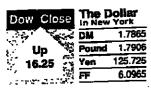
Addressing members of his Panhellenic Socialist Move-ment's Central Committee, Mr. Papandreou also said that general elections would be held in June 1989 as scheduled. "I repeat, with even greater emphasis this time, that I will remain in active politics," Mr. Papandreou said.



Eduard A. Shevardnadze, the Soviet foreign minister. is seeking to stem a Soviet brain drain by easing visa Page 2.

General News Takeshita rejected opposition calls for his justice i Page 2

Business/Finance The chairman of Statoil, Norway's state oil company, may resign next spring. Page 13.



At Airports, Tighter Security

International Herald Tribune
PARIS — Many airports reviewed or tightened up security procedures Thursday following confirmation that a bomb destroyed the Pan American World Airways jet that exploded over Scotland last

In Washington, the Federal Aviation Administration said Thursday it is requiring tightened security by U.S. air carriers at 103 airports in the Middle East and Western Europe, including X-ray or physical inspection of all checked baggage and

random physical checks of some carry-on baggage.

The measures will be effective within 48 hours and "far exceed existing international standards," said the the FAA administrator, T. Allan McArtor.

The new measures "may well result in passenger delays and inconvenience," Mr. McArtor said, adding that they could mean "check-in earlier, perhaps as much as an hour."

Under orders from the British Department of Transport, U.S. carriers stepped up security on all flights leaving Britain.

In an indication of the kind of measures that passengers are increasingly likely to encounter, travelers arriving for U.S.-bound flights were closely questioned about whether they had packed their own suitcases, whether their baggage con-tained anything that might be used as a weapon and whether anyone had asked them to carry items

The measures held the prospect of longer checkin times and delays as traffic reaches expected record levels

next year. "We would like to see a steady increase in security controls in a way that does not impede the flow of passen-gers," said Geoffrey Lipman, executive director of the International Federation of Airline Passenger Associations in Geneva. "Otherwise, the headlines in three months will all be about congestion."

An official of the International Civil Aviation Organization in Montreal warned that no matter how much security was improved, flights would remain vulnerable to terrorists who enter at airports where security is lax.

"Even if you turned Boston or New York into Fort Knox, this would not necessarily improve security overall," said Michael Milde, director of the organization's legal bureau. The strength of a security system is determined by its weakest link."

Airline sources at London's Heathrow airport said baggage was being X-rayed and scaled with tape before load-

Some elements of the intensified security are not likely to be noticed by passengers. "We never disclose the details of security procedures," said Mike Vertigans, a spokesman for the Department of Transport, which ordered U.S. air-lines to take additional measures at British airports, particularly with check-in bag-

He said it was up to the See SAFETY, Page 8

Bush Vows to Punish Authors of Jet Attack

By Ruth Marcus

Washington Post Service
WASHINGTON — Presidentelect George Bush vowed Thursday to "punish severely" those who may ultimately be found responsible for the bombing of Pan American World Airways Flight 103.

Mr. Bush, who as vice president chaired an administration task force that dealt with terrorist attacks, said his reaction to the attack was "horror" and that the United States must "seek hard, and punish firmly, decisively, those who did this, if you can ever find them."

Questioned as he was leaving Texas, where he had been on a bunting trip, Mr. Bush declined to comment on what kind of action he might take if those responsible for the bombing were identified after he took office in three weeks.

"The most imprudent thing a responsible official could do is to discuss what kind of action would be taken," he said, "But when I say punish severely, that's what I

woman, Phyllis Oakley, said the force is needed as a deterrent. administration believed it had a "pretty good chance" of discovering those responsible for placing a bomb aboard the flight, which exploded Dec. 21 over Lockerbie, Scotland, killing all 259 passengers and crew aboard and 11 persons on

Mr. Bush was heavily involved in a cabinet-level task force that issued a report on anti-terrorism policy in 1986. He said at the time the task force could not solve disagree-ments over when and how military retaliation should be used in terrorist situations, but backed the consensus view of the report for "re-taliation where it could be

He said then that neither he nor

Investigators work to solve the riddle of who sanggled the bomb aboard, and how. Page 8.

the majority of the task force supported "wanton destruction of human life in order to show some muscle." The report itself described military retaliation as "risky" and stated that the nation's "principles of justice will not permit random retaliation against groups or coun-

The report endorses "judicious employment of military force" when perpetrators can be identified A State Department spokesand located, and notes that such

■ 'A Difficult Threat' Mr. Bush said that the United

States was doing everything in its power to prevent terrorist attacks,

news agencies reported.
"When you're dealing with something as cowardly as that," he

guarantee that there will never be

"We're not helpless, but it's a very difficult threat," Mr. Bush said, adding, "It's a whole new menace to try to effect political change by cowardly terrorist ac-

Mr. Bush made the comments before leaving Chase Naval Air Station to continue his year-end boliday in Florida.

The State Department said Thursday that terrorism was considered to be the most likely explanation for the attack on the airliner and that there was official optimism about the chances of finding the persons responsible.

Mrs. Oakley said the chances of finding those who carried out the attack were "pretty good," based on past experience.

Earlier Thursday, L. Paul Bremer, the U.S. State Department ambassador-at-large for counterterrorism, said there was no "prime suspect."

"We shouldn't narrow our field of inquiry," he said, "until we get more evidence or intelligence that leads us in a certain direction.'

The search for suspects promises to be long and difficult, involving a detailed background examination of all the victims, sources in Wash-See BUSH, Page 8

Bomb Was Precision Weapon

By Malcolm W. Browne New York Times Service

NEW YORK - The bomb that destroyed Pan Am Flight 103 over Scotland last week was so perfectly timed and so devastating that its makers must have had both technical skill and considerable resources, according to experts.

A specialist at the Center for Explosives Technology Research in Socorro, New Mexico, estimated that up to 30 pounds (13.5 kilograms) of plastic explosive must have been used to blow the Boeing 747 apart at 31,000 feet.

The quantity of explosives suggests that the attackers were determined to destroy the plane.

Small bombs are sometimes smuggled into airliners concealed in flight bags or briefcases, but the quantities of explosives such packages can contain do not ensure major damage. They may merely puncture an airplane's skin and cause it to lose pressurization. Casualties and damage may result, but the airplane and most of its passengers are likely to survive, ex-

perts say. Modern airliners have fuselages engineered to withstand the enormous stresses created by repeated cabin pressurization and depressurization, as well as the force of wind moving over the aircraft at

nearly 500 miles per hour (800 kilometers per hour). The main ingredient of the

bomb. British authorities said, was probably a plastic explosive, which can be molded to any desired Plastic explosives are not part of

the inventory of commercial blasters, but are common on battlefields, including those of the Middle East

A large quantity of plastic explosive could be packed in a container inside a suitcase, experts point out, and the contents would probably pass through an airport X-ray inspection machine without astracting attention.

Some experts say that the device used to destroy the Pan American World Airways jet on Dec. 21 was almost certainly set off by an altim-

To achieve the greatest killing power with a bomb in a checked suitcase, an attacker would want to make sure that the bomb would explode in flight and not on the ground. For this, a simple timing device would not suffice since a departure delay would lead to a oremature blast.

Until an airliner takes off, the pressure of the air inside it is the same as that outside. But soon after the crew seals the plane's doors for But the Christmas release did not takeoff, air is pumped out of the take place, Mr. Khaled gave jour- cabin and baggage hold to create

See BOMB, Page 8

He was quoted as saying that the state planned to subsidize the chies by spending 100 million on the official ex | Column | Col girls to improve his image at a time. The girls' release occurred as scores

By James M. Markham New York Times Service

fer badly if the rate of inflation PARIS - Two French girls who have been held hostage for more than a year were freed Thursday in But while such gestures may momentarily reduce the public's fears about inflation and its social costs, Libya and flown to France after a purported intervention on their bethe government has presented only half by Colonel Moammar Gada sketchy picture of how the econohafi, the Libvan leader. my will be structured after more

The liberation of the two girls, Marie-Laure Bétille, 7, and her sisradical pricing changes.

Mr. Shmelyov has said that the ter Virginie, 6, ended a protracted heavy subsidies provided by the state at present "throw everything Christmas drama mounted by the out of kilter." Meat which costs Fatah Revolutionary Command. two rubles a kilogram (2.2 pounds

the guerrilla organization led by The Palestinian faction claims

Agents at London's Heathrow airport double-check passengers.

that it seized the girls along with their mother, Jacqueline Valente, and five Belgians on a reconverted fishing boat off the Gaza Strip in November 1987. The organization has accused its captives of being Israeli agents, but relatives said the group had set off to make a new life in Australia.

French officials said that it appeared Colonel Gadhafi had oran alleged Libyan chemical weap-

"It is a double operation," said a senior French official, who insisted that there had been no concessions made to free the two girls. "It is a public relations effort by Gadhali -and at the same time a threat. He shows that he is Abu Nidal."

when the Reagan administration of French journalists had descendhas raised the possibility of taking ed upon Tripoli to cover the annual preemptive military action against Paris-Dakar motor rally, which is crossing Libya this year for the first Since the converted fishing boat,

the Silco, disappeared somewhere in the eastern Mediterranean, the French government has sought to downplay the case. When a French journalist and two diplomats were released from captivity on the eve Colonel Gadhafi has lately been of a presidential election in May, chestrated the release of the two seeking to win friends in France. the official line was that France

had no more hostages in Lebanon. Before Christmas, Walid Khaled, a spokesman for the Abu Nidal group in Beirut, announced that it was making a "present to the children of the world" by releasing

receive them.

the two girls in response to an "appeal" by Colonel Gadhafi. Their father, Pascal Betille, and several other relatives hastened to Beirut to

See FREE, Page 8

The New Generation: A Bhutto Meets a Gandhi

Prime Minister Rajiv Gandhi of India and Pakistan's prime minister, Benazir Bhutto, met in Islamabad on Thursday for Asian summit talks. It was the first visit to Pakistan by an Indian prime minister in 28 years. Their talks during a meeting of the South Asian Association for Regional Cooperation were expected to herald a new era of cordial relationship between the two countries.

Bundesbank Holds Dollar in Check creasingly wary of further Bundes-bank resistance to a rising dollar. specter of heavy Bundesbank inter-vention.

By Warren Getler

LONDON -- The Bundesbank's hints at intervention, coupled with modest sales of dollars by the West German central bank, succeeded Thursday in capping the dollar's year-end rally, currency dealers

price rises for food, rent and some consumer goods would be "canceled out" by other government The dollar, after touching highs in London of 1.79 Deutsche marks compensations. How the state could manage that and still reap and 126 yen in early trading, eased the benefits of a revised pricing in light volume to close in New York at 1.7865 DM, down from policy is still unknown. While the debate over prices 1.7895 on Wednesday. At 125.725 yen, the dollar closed fractionally rage, there is no argument over the state of Soviet stores: their nearabove Wednesday's 125.70.

The U.S. currency had climbed 4 percent against the mark and 3 percent against the yen since the beginning of the month, chiefly on expectations of higher U.S interest rates and also on traditional yearend squaring of books by multinational corporations.

But speculative buying of the dollar slowed markedly late Wednesday, when a Bundesbank director, Leonhard Gleske, was quoted as saying that the dollar's steady advance to 1.80 DM "does not quite suit" the Bundesbank's Dealers said the market was in-

Richard Jeffrey, a senior econo-

mist with the London brokerage Hoare Govett Ltd., said that while the central bank's efforts to cap the dollar's advance might be successful in quiet markets, "the Bundesbank will find it much harder if there is more support for the dollar in the new year.

He added, "I would expect the dollar will appreciate a further 7 percent against the mark in the first

Helmut Schlesinger, vice president of the Bundesbank, said in a See DOLLAR, Page 17

A Furor in Nagasaki Over the Emperor

By Susan Chira

New York Times Service

NAGASAKI, Japan — People have been threatening to kill the mayor of Nagasaki. Three weeks ago, Mayor Hitoshi Motoma violated one of Japan's most delicate taboos by publicly suggesting that Emperor Hirohito bears some responsibility for World

Since then, a man has been arrested trying to break into his office with a can of gasoline; rightist extremists have threatened him and his family, and the police have warned him that it is too dangerous to take his daily morning walk

He has been attacked not only by the far right but also by the governing Liberal Dem-ocratic Party, which ousted him as an adviser to its Nagasaki party branch and pledged not to cooperate with him on city policy.

And he was dismissed as chairman of

local patriotic association. The furor over his statement reflects issues still paresolved here: the complex, emotional symbol that is the emperor, his role in postwar Japan and the latent passions of a devas-

It also suggests some of the anomalies in Japan's democracy, where the principle of or's war responsibility.

free speech is tempered by unspoken agree-ments to avoid certain subjects.

Even when the emperor was in good health, most Japanese obeyed the taboo that covers information about the emperor or his family, his wartime role or what happens when he

Mr. Motoshima's comments have particu-

lar resonance here in Nagasaki, where the

United States dropped a second atomic bomb in August 1945, in part to jolt Japanese officials into abandoning their demand that the emperor's life be guaranteed. As Hirohito lies gravely ill, and most Japanese heed a tacit agreement not to criticize him, Mr. Motoshima's frankness is doubly

"I didn't think that in a democratic society with freedom of speech, this would become such big news," he said, sitting in an office

flanked by security guards.

"But I feel as if I have thrown a stone in a pond — at a taboo issue and at the issue of free speech — and the ripples have been Mr. Motoshima threw his stone during a city assembly meeting, when a Communist

Party legislator asked him about the emper-

The 66-year-old mayor replied, in language that struck many Japanese as blunt:
"If I look at the descriptions in Japanese

and foreign histories, and reflect on my experiences in the military in the educational training of soldiers, in that regard I think the emperor has war responsibility. But based on the will of a majority of Japanese and Allied countries, the emperor escaped and became a symbol in the new constitution, and we have to act under that understanding."

Scholars in and out of Japan still disagree about the extent of Hirohito's influence on the conduct of the war. Many say he, like most of his ancestors, was a figurehead. Others say that at a time when he was so glorified that all Japanese were forced to bow

and avert their eyes when they passed the Imperial Palace, he should have used this mystique to oppose advisers who wanted the war and stepped in earlier to stop it.

Mr. Motoshima said he had received more than 3,000 letters, postcards and telegrams, with more than 80 percent praising him for his forthrightness or recounting painful mem-

A Nagasaki citizen's group formed to sup-See JAPAN, Page 8

ories of relatives who died in the emperor's

Fighting a Soviet Brain Drain, Moscow Relaxes Its Visa Rules

By David Remnick

Washington Post Service
MOSCOW — The Soviet Union has opened a campaign designed to improve its relations with the thousands of people who have emigrated and to make it easier for emigres and foreigners to obtain Soviet vi-

In a speech published Wednes-day, Foreign Minister Eduard A. Shevardnadze said that the "stigma of class enemy" should be lifted from Soviet emigres, and he criticized Soviet consular officials for failing to give consistently humane treatment to emigrés and Soviet citizens living abroad.

At the same time, the weekly Literaturnaya Gazeta called for an end to "civil war" between the Soviet state and those who have left it. "It's time to end the long-time civil war," the article said. "It's time to engage in disputes, but with

tolerance and without hostility."

Emigration, especially during the 1964-1982 rule of Leonid I. Brezhnev, has drained the Soviet Union of many of its finest minds. Its most prominent poet, Nobel prize winner Joseph Brodsky, lives in New York. Its best-known theater director, Yuri Lyubimov, lives in Israel. Many eminent artists and scientists have left the country for political, artistic, economic or personal reasons, figures like the writers Vasili Aksyonov and Alexander Solzhenitsyn and the biologist Zhores A. Medvedev.

Until now, glasnost, or openness, has not always extended to emigrès. Last year, when 10 émigrés published a letter in the Western press calling for actions such as a complete troop withdrawal from Afghanistan and a pardon for political prisoners, even prominent liberal Soviet editors, such as Yegor Yakovlev of Moscow News, claimed that the 10 were "siding with counterrevolution."

In recent months, however, Moscow News and other publications have begun looking at the reasons for emigration more analytically and sympathetically. The combination of Mr. Shevardnadze's statement and the Literaturnaya Gazeta article marked a concrete shift in attitude and policy.

Mr. Shevardnadze, in remarks reported by Tass news agency, sharply criticized consular officials abroad for the way they handle visas, passports, marriages and the reunification of families.

"Because of problems in the con-sular services," he said, "Soviet émigrés, who number 20 million, have suffered along with Soviet citizens living abroad.

The foreign minister said he was consular service, both in reinforc- paign organization.

ing it with first-class personnel and Moscow had objected to the pact from the viewpoint of attention to the main object of its functions."

At a press briefing Wednesday, the Foreign Ministry spokesman, Gennadi I. Gerasimov, quoted Mr. Shevardnadze as saying that many of those once classified as class enemies were today "doing much good for our country." The minis-ter had called on consular offices "to expand the circle of countrymen discovering their homeland anew," Mr. Gerasimov added

Mr. Shevardnadze said that new measures passed by the Soviet government would make it easier for foreigners, especially businessmen, to travel to and from the Soviet Union. He added that the Soviet Union should join the 1963 Vienna Convention on Consular Relations. for years on security grounds.

Those who take care of the security of the state," Mr. Shevardnadze said, "must realize that a true threat to our country will arise when we find ourselves economically insolvent and will not be able to get the feel of worldwide economic progress and join the mainstream of scientific and technological progress."

For many years, foreign busi-nessmen and other travelers have complained about the difficulties of getting a Soviet visa, Often, people receive their visas only minutes before — or days after — their flights are scheduled to leave for Moscow. Soviet consular officers rarely give any explanation about why the visas are late.

Takeshita Spurns Calls For Minister to Resign

New York Times Service TOKYO - Prime Minister Noboru Takeshita rejected opposition calls Thursday that his new justice minister resign because he had accepted political donations from the company at the heart of Japan's stock-trading scandal.

Mr. Takeshita said he believed

that Takashi Hasegawa, whom he appointed Tuesday, had done nothing illegal. The justice minister will be part of a cabinet the prime minister said would work toward promoting ethics in government.
Opposition politicians and polit-

ical commentators have called for the resignation because Mr. Hasegawa will be overseeing the inves-tigations into the scandal. It involves an ambitious businessman who courted top politicians, bureaucrats and corporate executives by offering them stock in a fastgrowing subsidiary. This allowed them to reap huge profits after the stock went public.

The parent company, Recruit, contributed \$46,000 over 12 years to Mr. Hasegawa's political sup-port organization, although he was apparently paid in cash and not offered stock shares. Mr. Hasegawa said he did not know Recruit had donated money to his organization until Wednesday and told reporters he had been "imprudent" but had done nothing wrong. He said he had asked Recruit to stop contrib-

uting funds. Thursday evening Keizo Obuchi, the chief cabinet secretary, also revealed that Recruit had been a looking for "humanization of the regular donor to his political cam-

Herald Eribune

The Inflight Newspaper is available on all Air France flights.

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The ruling Liberal Democratic Party has tried to block opposition efforts to investigate the stock

Mr. Takeshita's public approval ratings have dropped sharply, which poll takers attribute both to public disgnst with the scandal and anger about a tax overhanl that introduces a sales tax on most goods and services.

But Mr. Takeshita, whose party enjoys a commanding parliamentary majority and does not have to face elections in the lower house until 1990, apparently believes he can ride out the public criticism.

After consulting leaders of his party, Mr. Takeshita said he would keep Mr. Hasegawa even though the new justice minister had not been prudent in accepting the do-

"I fully trust that his ability will allow him to fulfill his responsibility as justice minister," Mr. Take-

Leaders of the Socialist Party, the Democratic Socialist Party, the Communist Party, and Komeito, or Clean Government Party, said Mr. Hasegawa was an inappropriate choice for justice minister. "What has become of Japan's

The scandal has been developing since last summer, when it emerged that Hiromasa Ezoe, founder of Recruit, had sold bargain-priced shares in Recruit Cosmos, a Recruit subsidiary, to influential politicians and business figures before the shares were listed.

Mr. Hasegawa, 76, said he had learned only Wednesday that Recruit had been paying membership dues since 1976 in an organization called Hakusenkai, which helps finance Mr. Hasegawa's campaign and political activities. He said it was "truly careless" of

him not to have known about the around the latest arrest. donations, and he apologized.
"As justice minister," he said, "I don't think this matter will be an tor's office, headed by Axel Morimpediment. Accordingly, I will ath, has information that could carry out my duties as justice min-

NANKING, China — The head

of a university in east China where

racial clashes broke out last week-

end accused African students on

Thursday of inciting the violence

and said they would be punished

Liang Ruiju, president of Hehai University, said that Africans planned a attack Dec. 24 on Chi-nese university officials that in-

Mr. Liang also said seven or eight of the 140 Africans being held

at a guest house outside Nanking

are suspects in the clash that started over the Africans' refusal to reg-ister the names of the Chinese girl-

friends they were taking to a

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jured 11 Chinese.

campus party.

what was once her home Thursday before clearing work began. **Armenian Quake Toll May Decline**

MOSCOW -- The death toll from the Armenian earthquake this month may be far lower than the earlier official estimate of 55,000, a senior Arme-

nian government official suggested Thursday. "By Dec. 28, we had recovered 24,854 victims," Vardges Artsrooni, a deputy prime minister of the republic, said at a news conference via a television link-up with Yerevan, the Armenian capital. "The rescue is almost over," he said. "We are

still getting people out of the rubble but the num-ber is decreasing with each day. We think 100 to 150 more will probably be pulled out from buildings that are left to be cleared."

It was not clear from his remarks whether the authorities believed that there were victims of the Dec. 7 earthquake whose bodies would never be

"We still have no final figure for the dead," Mr. Artsrooni said, "but it is still a colossal figure."

Tight Secrecy Continues to Surround headers?" the Asahi Shimbun newspaper asked in an editorial earlier this month, pointing to "the appalling moral degeneration that has set in."

By Joe Kirwin

Special to the Herald Tribune STOCKHOLM — Secrecy continues to surround the investigation of the murder of Prime Minister Olof Palme, leading to speculation in Swedish legal circles that the police case has merit.

On Dec. 15, the Swedish police arrested and arraigned a 41-yearold Swedish man with an extensive criminal record, including murder. After numerous embarrassments in the three-year investigation, including two aborted arrests, the Swedish police and prosecutors

For that reason, many lawyers say they suspect that the proseculead to a possible conviction in the

Chinese to Punish African Students

"The Africans did this in a planned way," Mr. Liang said. "If

they have broken university regula-

tions, we will punish them. If they

have broken the law, we will take them to court." Mr. Liang said no

Chinese students would be pun-

ished for destroying property in the
African students' dormitory.

"They didn't hurt anybody so
none of them will be punished," he

Chinese students and other

youths rampaged through the Africans' dormitory Sunday and have

held street demonstrations every

highly racist in tone, with youths

chanting "Down with black dev-

ils!" and "Black devils go home!"

student to leave the guest house and return to Nanking said he

wanted to leave China as soon as possible. "I am very fearful," he

said. "Even seeing a Chinese out-

side the window makes me cold

Mr. Liang said the African stu-dents planned the attack because

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On Thursday, the only African

The early demonstrations were

in what the state has as evidence," said Krister Jansson, a lawyer in criminal lawyers. Nobody knows what the state has, but you get the feeling they are determined not to

Under Swedish law, the prosecutor's attorney has 14 days after a ed anew. suspect has been remanded to cither file charges or apply for another remand. Lawyers say it is not uncommon for a prosecutor to delay charges for as long as a year.

ordered the police to hold the suspect, Carl Gustav Christer Pettersson. That decision, appealed by Mr. Pettersson, was confirmed by the Swedish high court. Sweden has

"they couldn't play with girls free-

leaders, whom he did not name,

the wall last month.

do with racial discrimination."

He said "seven or eight" ring-

"Usually there have been leaks freed while awaiting charges or tri-

Mr. Pettersson, who was one of Stockholm. "But there have been the original suspects in the case, no rumors even within the circle of has demed any involvement. After the Stockholm police com-

missioner who first led the investi-gation of the Palme murder was

who has been convicted of murder as well as other crimes and who has spent much of his adult life in jail was on the night of the crime were disputed.

office has recalled the key witnesses no hail system, and a judge deter-mines whether a suspect can be Palme's wife, who was walking with they were upset over a wall being built around their dormitory so to comment on the results of the

According to various Swedish lawyers, a positive identification by a witness in a lineup could be

were behind a campaign not to pay a fine of 17 yuan (\$5) imposed by "I would be comfortable with the college on all African students conviction with just a witness iden-tifying the killer," said Goran Ro-senberg, a judge who is an assistant after Africans twice knocked down African students, most of whom deputy to the Justice Ministry. "It are men, spend up to six years in china and say their social contacts with Chinese women are frequently be to get a conviction with just

Swedish law forbids publication Meanwhile, the local authorities of the name of a suspect or a defencontinued to hold incommunicado dant until conviction. But it does the roughly 140 African students allow any other information conwho fled from their dormitories afcerning the person's background or the violence and were later previous criminal record to be pubforced onto buses and taken to a

government guest house in Yangz-In 1975, Mr. Pettersson was senhou, a city 50 miles (80 kilometers) northeast of Nanking. In Beijing, a Foreign Ministry spokesman said the incident was spokesman said the incident was tempted murder, again using a bay-an isolated one, having nothing to onet. In Swedish newspaper stories

removed from the case in February 1987, the search for the killer start-The arrest of Mr. Pettersson.

or undergoing compulsory a psy-chiatric treatment, took place after statements concerning where he Since the arrest, the prosecutor's

the prime minister in Stockholm when the shooting occurred, has been reported to have reviewed a lineup, via a videotape, that included Mr. Pettersson. The police and the prosecutor's office have refused

enough evidence to lead to charges and a conviction.

the catalyst for racial confronts- that

tenced to 14 months for assault with a bayonet, and in 1978 he was imprisoned for five years for atabout the current case, the suspect (AP, Reuters, NYT) is referred to as "the bayonet man."

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(In New York, call: 212-752 3890) Or write: International Herald Tribune, 850 Third Avenue, New York, N.Y. 10022 Or Telex: 427175. Or Fax: 212-755 8785. WORLD BRIEFS

PLO Aide Vows Anti-Israel 'Struggle'

BAGHDAD (AFP) — A senior PLO official said on Thursday than the Palestiman people had to carry out a "struggle" against Israel to recover their rights. Faronk Kaddoumi, the head of the political department of the Palestine Liberation Organization, also accused Israeli leaders of rejecting peace initiatives in the Middle East and of wanting to "extensinate" the Palestinian people.

"Struggle is the only way to recover our national rights, which have been usurped by Israel and the United States," Mr. Kaddoumi said, adding, Experience has shown us that there are no other alternatives to

Mr. Kaddoumi also dismissed a call by Prime Minister Yitzhak Shami of Israel for a resumption of Egyptian-Israeli peace talks. Referring to Mr. Shamir as a "terrorist," he called the prime minister's initiative a plot aimed against the Palestinian people and their cause." Israeli sources have said that Egyptian-Israeli talks could center on autonomy for Palestinians in the Israeli-occupied West Bank and Gaza Strip.

Charges Filed Against 3 Chun Aides

SEOUL (UPI) — Prosecutors investigating alleged irregularities during the administration of President Chun Doo Hwan filed bribery charges Thursday against two former cabinet ministers and a former senior government official, all of whom held their posts during Mr. Chun's administration.

Those arrested and charged included former Transportation Minister Cha Kyu Hun, 59, former Construction Minister Kim Chong Ho, 62, and a former senior official in the state-run Korea Housing Corp., Han Kyn Bong, 51, officials said. Two businessmen accused of bribing them also were arrested. If convicted, Mr. Cha and Mr. Kim could face up to seven years in prison while the other three could receive lesser terms.

Investigators said that Mr. Cha received the equivalent of more than \$735,000 in December 1987 for allegedly helping the two businessmen acquire a license for a golf course. Mr. Kim was charged with receiving about \$235,000 in bribes from four contractors in 1983 in exchange for awarding contracts for redevelopment projects in downtown Sont, prosecutors said. Mr. Han allegedly accepted nearly \$15,000 for assisting Mr. Kim in the bribery scheme, the authorities said.

Brezhnev Name Removed From Sites

MOSCOW (Reuters) — The name of Leonid L Brezinsey, the late Soviet leader, is to be removed from all public buildings, including the houses in which he once lived, Tass news agency said Thursday.

Tass said the top Communist Party, government and state bodies had decided to drop the names of Mr. Brezhnev and one of his successors, Konstantin U. Chernenko, from all "factories, administrative regions, institutions of learning and organizations" and to remove memorial plaques from homes of the former leaders.

Under an earlier decision, a city on the Volga River bearing the name of Mr. Brezhnev reverted to its former name, as did squares in Moscow and Leningrad and a cosmonant training center. Mr. Chernenko's name was removed from a passenger ship. Tass said both men were linked with the "period of stagnation" that preceded the economic restructuring program of Mikhail S. Gorbachev.

U.S. Warms to Moscow Rights Forum

WASHINGTON (WP) - The Reagan administration, encouraged by recent Soviet actions on political prisoners and emigration, is moving toward acceptance of an international conference on human rights in Moscow and settlement of outstanding human rights issues blocking new
East-West arms negotiations, State Department officials said Thursday.

Among the encouraging developments, the officials said, are confirmation that the Soviets have recently released the last known person who is defined by them as a political prisoner, a Ukrainian nationalist named Gregori Nichiporenko, and a Soviet message listing about 50 people long refused exit visas who are now slated for emigration.

On the other hand, the administration has not yet obtained a satisfactory response to its request for a mechanism to deal with the cases of about 30 imprisoned Soviet citizens who are described in Moscow as criminals but whom U.S. authorities consider possible political prisoners.

For the Record

China denied a report Thursday in the China Daily that Mao's imprisoned widow, Jiang Qing, 74, was critically ill. "Jiang Qing is suffering from ordinary diseases of old age," a spokesman for the Ministry of Justice said. "She is not in danger," (Reuters) Iranian authorities have allowed British businessman, for the first time in four months the Rowsian Office said Washanday in London Mr.

in four months, the Foreign Office said Wednesday in London. Mr. Cooper, 52, has been held in Tehran without trial for more than three years accused of espionage.

Pretoria bunned four suff-spartheid groups Thursday, raising to more than 30 the number of organizations curbed this year under state-ofemergency regulations.

TRAVEL UPDATE

Lisbon Métro Drivers Go on Strike

LISBON (Reuters) — A 24-hour strike closed Lisbon's Metro on Thursday, the first such stoppage in what could prove a winter of transport chaos in Portugal.

The Metro drivers are pressing for a 40-hour week. Unious representing rail, but and airline workers have also threatened strikes if their demands for more money and better conditions are not met. Maintenance workers at TAP-Air Portugal were due to start a two-day strike

Friday, their second stoppage this month.

A lower speed limit on Italian highways, 110 kph (68 mph), paid off in a dramatic decline in accidents, deaths and injuries during the second half of this year, the Department of Public Safety said Thursday. There were 596 fewer deaths and 17,366 fewer injuries up to Tuesday than last year. The number of accidents was down from 274,738 to 237,911. The number of deaths was 6,940, with 173,493 injured.

Israeli Army Repulses **Guerrilla Inflitrations**

By John Kifner ial Herald Tribune

ed Arab infiltrators in the southern Negev on Wednesday amid mounting concerns here over an apparent ern Lebanon. increase in recent days in attempted guerrilla raids. The army announcement Thurs-

day, which was held back by military censors for nearly 24 hours. said that troops were still searching for a fourth man who escaped.

There were few details given and troopers stopped a Palestinian to identification of any guerilla band attempting to cut its way action. The suspects, the anthony the feace from southern no identification of any guerilla faction. The suspects, the annonncement said, were believed to have infiltrated from Egypt.

"The identity of the suspects who were killed is unknown," the communiqué said. "In the area of the clash, no weapons or documents have been found as yet."

Meanwhile, Israeli helicopters attacked positions in southern Lebwhich the Israelis said had served as a starting point for a raid by a turned in heavy seas.

Syrian-backed Palestinian faction The Israeli army of Thursday in which three other guerrillas were killed at the Lebanese border fence. Four Amal mililistory air strike, according to

reports from Lebanon. Wednesday's attempt to cross the northern border was the third effort within a week by Syrian-backed Palestinian factions opbacked Palestinian factions op-posed to Yasser Arafat's main-Palestinian intifada in the Israelstream Palestine Liberation occupied territories has been pur-Organization, according to the Isracii Army reports.

Manara in northern Israel, be- year ban on talking to the PLO, to longed to the Organization for the the dismay of Israeli leaders.

Liberation of Palestine, which it identified as a splinter of the Popu-JERUSALEM - The Israeli lar Front for the Liberation of Pal-Army shot and killed three suspect- estine-General Command, headed by Ahmed Jibril, said to be operating under Syrian auspices in south-Reports from Lebanon recently

have said that the Shiite Amal forces and the Palestinian guernilas, who have fought bitter battles for control of refugee districts, have signed a cooperation agreement. On Sunday night, Israeli para-

Lebanon and shot three of the would-be infiltrators to death. The army said they came from the Abu Nidal faction which is opposed to Mr. Arafat and has been backed by Libya and Syria.

On Saturday, the army said, three other Palestinian guerrillas attempted to infiltrate by sea from anon of the Shiite Amal militia, southern Lebanon, but drowned when their rubber dinghy over-

The Israeli army chief of staff, General Dan Shomron, said during a tour of the northern settlements that the infiltrations were being tiamen were wounded in the relta- carried out by organizations attempting to torpedo the political steps taken by Mr. Arafat by increasing terrorist attacks,

The PLO chief, largely in response to the political changes that suing a new, moderate course. Ear-The army said the guernillas, American conditions that he reconnect territorian reasonne territorian. lier this month he satisfied had cut in the fence near Kibbutz and the United States ended a 13-

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to recover our national rights, which is the United States. Mr. kaddon was us that there are no other alternations. ssed a call by Prime Minister Vither, of Egyptian-Israeli peace talks Refer he called the prime minister's minimal people and their cause " lives, tinian people and their cause. Israelistadis stadis could center on automoccupied West Bank and Gaza Stip.

Against 3 Chun Aid ators investigating alleged irregulars.

President Chun Doo Hwan flot; two former cabinet ministers and the posts the

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VEL UPDATE

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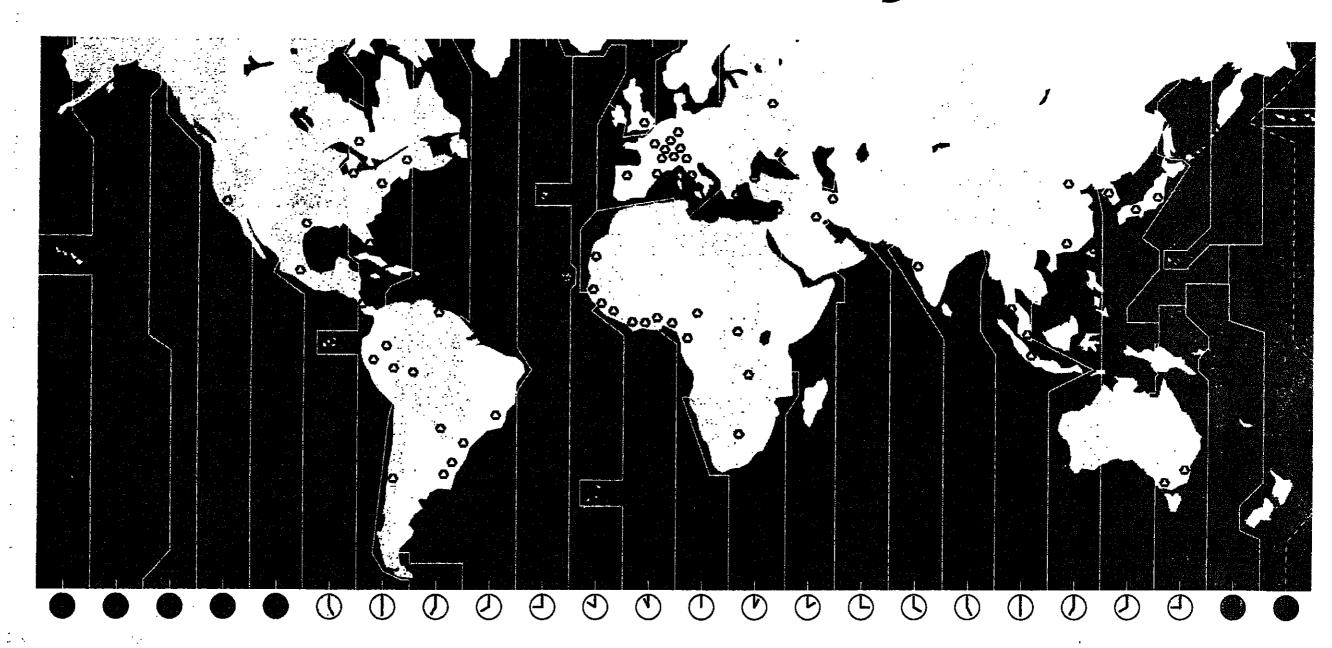
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Outgoing Reagan Speaks to Posterity, Seeks Place in History

By Steven V. Roberts New York Times Service

WASHINGTON - As he enters his final weeks in office, President Ronald Reagan has been giving a series of farewell speeches and interviews that amount to his first draft of history, an attempt to defend his record and shape the views of future scholars as they evaluate the events that dominated Washington in the last eight years.

After reading these presidential comments, a dozen contemporary students of the presidency generally agree with one of Mr. Reagan's main points —that he has presided over a "revolution of ideas" that expanded the country's strength and spirit while reducing its reliance on government programs and regulations.

"He ended the New Deal," said James Cannon, a political writer who has advised many Republicans. "He said he would de-emphasize what government can do, that he would deregulate and deprogram, and he did."

But many observers also find serious flaws in the president's version of history. They accuse him of trying to distort the record by taking credit for the accomplishments of his tenure while blaming others for its most notable failures, particularly the

Moreover, some scholars express a feeling of disappointment, saying that Mr. Reagan has ed a major opportunity to leave behind a thoughtful assessment of his own experiences and to draw some lessons for generations to come.

Two of the most memorable farewell addresses, by George Washington and Dwight D. Eisenhower, warned against dangerous trends and tendencies — "entangling alliances" in the case of Washington and the "military-industrial complex" in

Mr. Reagan, the scholars say, is concerned mainly with praising and justifying himself, not with instructing others.

Stephen Hess, a senior fellow at the Brookings Institution, said of Mr. Reagan's accounts: "I thought those speeches bordered on the outrageous, given the fact that the man had been president of the United States for eight years. They contained so little that was reflective or introspective. They weren't farewell speeches, they were his last campaign speeches. They could have been given in 1984, and chunks came right out of the

Fred L Greenstein, a professor of politics at Princeton University and an expert on the presidency, said that it was a "common human tendency" to blame others for one's problems and that all presidents give biased accounts of their administrations. "It's a way of giving ammunition to your supporters, the people who will argue for your view of history," he said. But he also regies "how unrevealing Reagan himself is," saying: "There was never a discussion on his part of what it means to be president."

Scholars agree that Mr. Reagan's ability to re-store the nation's sense of self-confidence will stand as one of his lasting achievements. "He came along at a time in which the nation was almost despondent, self-doubting, insecure," said Ross Baker, a professor of politics at Rutgers Universi-ty. "He inspired people, and I think there were concrete results from that."

Many experts also agree with Mr. Reagan when he contends that "we have transformed the debate" on budget matters. "You don't hear people argue any more that deficits are good, or that they don't matter," the president asserts,

But to budget analysts, Mr. Reagan's account of the current fiscal situation is "highly fanciful," in the words of Robert Greenstein, director of the Center on Budget and Policy Priorities, no relation

For instance, Mr. Reagan argues that the poverty rate has dropped in his tenure. That is technically true, said Robert Greenstein, if today's rate is contrasted with that of 1981, when the country was in a serious recession. But contrasted with 1978, when the economy was enjoying a boom, the poverty rate has increased in the Reagan years.

Scholars are also highly critical of Mr. Reagan's analysis of the "iron triangle," finding it "flat out

wrong," in the words of Norman Ornstein, a senior fellow at the American Enterprise Institute. For one thing, Mr. Reagan altered the definition

of the jargon term, which has been used by experts describe a combination of special interests, embers of Congress and federal bureancrats. The president replaced the bureaucrats with the news media, a shift that omitted any part by the executive branch of government in preserving wasteful

'He used the 'iron triangle' as a rationale to say. Don't blame me for the deficits, blame everybody else out there'" said Mr. Ornstein. "When you conveniently leave out the agencies, which are directly under you, that introduces an inappropri-

ate, jarring note." In addition, the scholars say Mr. Reagan's analysis fails to recognize that in his first term he exploited and encouraged the very power connec-

tion he now criticizes.
"Special interests," such as the Chamber of Commerce, joined with conservative members of Congress in using the press to promote the president's budget and tax-cutting plans, said Gary R. Orren, a professor of public policy at the John F. Kennedy School of Government at Harvard Uni-

At other times, the president praised interest groups for their fights against legalized abortion and gun control.

Finally, the presidential scholars express amazement at the president's argument that something he calls the "Washington colony" has subverted the will of the people and Mr. Reagan's own

"He's talked about government, throughout the years, as them — as someone else," said Mr. Orren. Said Mr. Ornstein: "I find it quite remarkable that Ronald Reagan, after eight years as the leader of the Washington colony, has so skillfully separated himself from it."

Congress Identifies **Targets for Trims** To Lower Deficit

By Peter T. Kilborn

New York Times Service WASHINGTON - In the budget struggle that starts with President-elect George Bush's inaugura-tion Jan. 20, legislators already know what the big-money options are and that many of them will be needed to reduce the federal spending deficit.

One target looming large is the \$300 billion the government spends for the military, legislators and

budget experts say.

Even senior Bush associates say they are reluctant to grant the Pentagon any more money than it gets now, and a small out looks likely, rather than smaller increases.

A cut would make room for procaus that Mr. Bush and the Denocrat-controlled Congress want to expand, such as support for educa-tion and AIDS research and for the coomous costs of salvaging insolvent savings and loan institutions and rebuilding the government's nuclear arms plants.

Medicare, which helps pay doc-tor and hospital bills for elderly and disabled people, is another big target. Spending there has been rising far faster than inflation and the costs of other government pro-

"It's the second-biggest pile of money that's on the table, after Social Security," said Richard N. Brandon, staff director of the Senate Budget Committee. Some So-cial Security benefits - those of the richest retirees - are also vulnerable in the sense that more could be subject to income tax. Social Security is a retirement and disability plan.

Tax increases are possible as well, although few politicians will say so for the record. Mr. Bush has repeatedly said, "No new taxes," but both Republican and Democratic leaders in Congress predict that he will give a little ground.

Taxes that meet other policy goals and can be described as fees" and "loophole fillers" are potentially the easiest to increase An increase in the 9.1-cent-a-gallon federal gasoline tax, which a lot of lawmakers favor, could be called a nser fee for road maintenance.

Raising the taxes on alcohol and tobacco is a relatively easy choice, too. Higher "sin taxes" could be sold as cures for bad habits and as a source of government funds for treating people who fall ill because of drinking and smoking. Because of the deficit, the setting

of priorities in the Bush administration could be the most difficult dent Ronald Reagan complained ing

about the constraints on him eight years ago, when he inherited an annual deficit of \$79 billion and a debt of \$1 trillion. But he is leaving Mr. Bush a deficit of \$150 billion to \$160 billion in the 1989 fiscal year and a debt of \$2.6 million.

The constraints arise in part because of the cost of carrying the debt. Just paying interest on the securities that the Treasury sells to finance the debt accounts for 14 percent of all government spending \$160 billion or so.

To be sure, some people, not all of them partial to Mr. Reagan, argue that the deficit is not nearly so oppressive as is generally believed. The burden of the deficit on the overall economy, they say, has been receding from the extremes it reached late in Mr. Reagan's first

Many economists also warn that even if the delicit remains a major burden for the economy, a fast and brutal assault on it could dump the ation into a recession.

On the other hand, many law makers feel that the financial markets will force them to do some thing about the deficit. Worries about a stock-market collapse like the one of Oct. 19, 1987, drove Representative Silvio O. Conte of Massachusetts, a leading Bush ally who is the ranking Republican on the House Appropriations Committee, to write the president-elect urging a bipartisan meeting on the deficit soon after the inauguration.

"It's time to take presumptive action," Mr. Conte wrote. He added in an interview that a revenue increase was a foregone conclusion.

On Jan. 9, Mr. Reagan will submit to Congress his 1990 budget, which Mr. Bush is expected to use as the basis for his own negotiations with Capitol Hill. The Reagan proposal will maintain that without any changes in taxes and spending the 1990 deficit will be \$127 billion, but that the changes in the spending the spendin Mr. Reagan urges will reduce it to. \$92.5 billion.

Leaders of both parties appear to be in accord with Mr. Reagan in their deficit-reducing goal: \$20 hillion to \$40 billion less than what the deficit would be without tax

and spending changes.

Thus the struggle turns less on the deficit's size than on the spending cuts and revenue changes need. ed to achieve the reduction.

A likely target for spending re-straint is the military. The \$300 billion the armed forces are consuming in the current fiscal year amounts to 27 percent of the \$1.13 trillion in total government spend-

Allies Have to Do More on Defense. Shultz and Carlucci Tell Congress

By Richard Halloran New York Times Service

WASHINGTON — The secretaries of state and defense have told Congress that the Western Europeans, the Japanese and the South Koreans can and should shoulder more of the military and financial burden for the common defense.

Secretary of State George P. Shultz and Defense Secretary Frank C. Carlucci said in a report, "We are convinced that a more equitable sharing of the roles, risks and responsibilities for the common defense is needed and is

They addressed an issue known here as burden sharing meaning the funds and forces that members of NATO as well as Japan and South Korea provide for common defense. It promises to be a critical question for President-elect George Bush in the coming year.

Deputy Secretary of Defense William Howard Taft 4th, who has been negotiating with the Western Europeans, the Japanese and the South Koreans for the last year, said Wednesday that the issue "is front and center.

Burden sharing was addressed in the last session of Congress when a special panel led by Representative Patricia Schroeder, Democrat of Colorado, concluded that the allies persons suffered minor injuries.

With a drive to hold the line on military spending gaining strength as a means of reducing the federal budget deficit, congressional de-mands for greater effort by allies is

widely expected. Such demands will include a call for reducing U.S. troop strength in Europe or for rotating U.S. units instead of posting them abroad

The recent years have been making "significant contributions relative to their ability to contribute," the report said.

Greece and Turkey were men-

Moreover, political support for military preparedness in Western Europe has been eroding after the treaty between the United States and the Soviet Union under which medium-range, ground-launched missiles are being eliminated. Mikhail S. Gorbachev, the Soviet

leader, has bolstered that sentiment by saying he will withdraw large numbers of Soviet troops from The diplomatically worded report, made public Wednesday,

Five Hurt in Hollywood Fire

The Associated Press LOS ANGELES - Firefighters rescued more than a dozen people from a 15-story Hollywood office building after a blaze broke out Wednesday on the ninth floor. Five

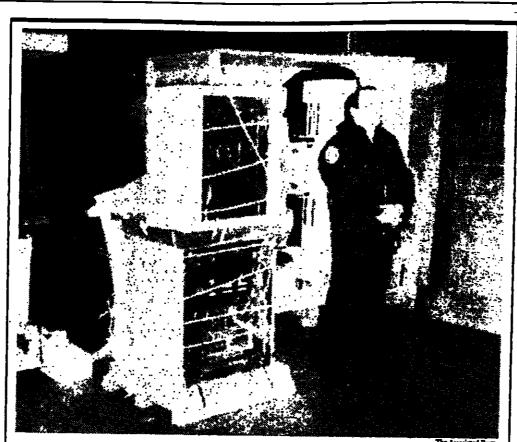
were not carrying their fair share of tried to paper over the allies' reluctance to pick up a larger share of the burden and the inability of the United States to persuade them to do so. But careful scrutiny showed where the flaws are.

Only the United States and Britain in recent years have been mak-

Greece and Turkey were mentioned, but the report failed to say that most of their military preparations are aimed at each other, not the potential adversaries of the North Atlantic Treaty Organization to which they belong.

In addition, the report said, only a few nations have managed to meet NATO's 3 percent real growth objective on a generally consistent basis." That referred to an agreement reached during the Carter administration under which members of NATO pledged to increase military spending by 3 percent each year.

The report pointed to several nations whose contributions were seen as far below par or were seriously declining. They include Belgium, Canada, Denmark, Luxembourg and Spain. The Spanish government had ordered the removal of a wing of American F-16 fighters from its soil; the wing will



3 Europeans Held in High-Tech Smuggling Scheme

A U.S. Customs officer guarded crates containing nearly \$1.5 million in computer equipment seized in Boston and believed destined for Bulgaria. Export of such equipment to East bloc nations is restricted. Franciscus Govaerts, of the Netherlands, and Marcel Sanders, of Belgium, have been charged in Boston with violating export laws and with money-laundering, the Customs Service said.

PANISH LOMPA

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Herald Tendronal Tribune. SPANISH COMPANY HANDBOOK 1988

Published in Madrid by La Ley with the International Herald Tribune and International Business Development

CATALANA DE GAS, S.A.
COMPANA ESPANOLA DE SESUROS Y
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U.S. Remains Wary of Iran Talks Offer State Department officials said mans are not yet ready for direct backlash at home by opening talks

weeks offering to arrange direct ran government talks between the United States and Iran, but the State Department is still waiting for an official message from Tehran, according to U.S. and Iranian sources.

The most recent approach came two weeks ago, when an unofficial envoy provided the name of an Iranian official who he said was ready to enter into tolks with the United States, the sources said Wednesday.

WASHINGTON - Iranian in- that they were ready to open talks talks," he added. termediaries have approached the with Iran, but only on the basis of Reagan administration in recent an official approach from the Teh-

such a message directly from the with the discovery that White government of Iran, but we are House officials secretly sold weap-hesitant to pursue the many approaches we get from intermediar release of U.S. hostages in Beirut.

"We have the sense that the Ira- ently unwilling to risk a political

Secretary of State George P. Shultz has said that the administra-"We're certainly willing to have Iranian officials, but only if the an official meeting, and if the gov-ernment of Iran is ready they know edged by both sides. That condihow to contact us," a senior official tion is a result of the Iran-contra said. "We'd be happy to receive scandal, which erupted in 1986

But Iranian officials are appar-

with the United S said that they would welcome warmer relations with Washington, but Iran's leader, Ayatollah Rubollah Khomeini, has remained rigidly anti-American

The sabotage of Pan Am Flight 103 appears to have heightened concern among moderates in Tehran that Iran's gradual movement toward better relations with the West continue, U.S. officials said. They noted that the Iranian gov-ernment immediately disavowed responsibility for the bombing.

China and U.S. Spar Over Travel Curbs

The Associated Press
BELJING --- China accused the travel of Chinese envoys in the United States, escalating a retalia- and North Korea. tory dispute over diplomatic travel

Li Zhaoxing a Foreign Ministry spokesman, said that talks this month on the issue had made no progress because "the U.S. side failed to make a response to the positive proposals put forward by the Chinese side."

Chinese restrictions recently imposed on U.S. diplomats were "unreasonable" because they went "well beyond restrictions" on Chinese diplomats in the United

Mr. Li dismissed Mrs. Oakley's statement as "entirely unreason-

"For many years," he said, "the United States has been adopting discriminative restrictions on the travels in the United States of the Chinese diplomats in China's consulate generals to the United

■ Tit-for-Tat Restrictions Don Oberdorfer of The Washing-ton Post reported earlier from Wash-

ington:
While their leaders have been toasting the 10th anniversary of normalized relations, U.S. and Chinese diplomats have been imposing increasingly strict travel restric tions on each other in a tit-for-tat dispute that broke out earlier this year, the State Department acknowledged Wednesday. Mrs. Oakley expressed a U.S. de-

sire to reverse the trend and move toward freer diplomatic travel. But she said that the U.S. side was "disappointed" with the results of the ast round of bilateral discussions on the subject, held in Beijing Dec.

The diplomatic travel tiff began

when American diplomats based at diplomats stationed at their consul-The Associated Press

Washington on Thursday of imposWashington on Thursday of imposWashington on Thursday of impos
Washington on Thursd ing "discriminative restrictions" on nearby smaller city, Dandong the travel of Chinese envoys in the which is along the border of China

In lengthy discussions over many months, China seemed at times to agree to the request but, in the end, U.S. diplomats were refused permission to make the trip. In retaliation, the United States imposed new restrictions Oct. 15 on Chinese

which Chicago is located.
The Chinese early this month re-

cities must apply at least 48 hours in advance to visit any other Chinese city, whether or not the city is

mats, but Mrs. Oakley said no deci-

sions had been made. sponded by imposing new travel A senior State Department offi-restrictions on U.S. diplomats at cial said that officials hoped to find Shenyang and Shanghai. Under a solution that would avoid a new these rules, U.S. diplomats in both spiral of restrictions. The official described the travel tiff as "a minor matter," but acknowledged that it could become more troublesome if a solution is not found soon.

A State Department spokes-woman, Phyllis E Oakley, had said Wednesday in Washington that Sudan Protests Continue Over Prices

generally available to visitors.

By Jane Perlez **New York Times Service**

NAIROBI - Rioting and strikes continued in the Sudanese capital, Khartoum, and other parts of the country Thursday, even though the government rescinded the price increases that caused the unrest and the withdrawal of a key political party in the coalition government. Police shot into a crowd of demonstrators in the capital, killing one person and injuring as many as 40, according to news agency reports.

The departure on Wednesday of

the Democratic Unionist Party, the second-largest party and the sole member of the coalition to endorse a peace agreement with Sudanese rebels, left in doubt the future of the government of Prime Minister Sadek Mahdi.

The party's leader, Mohammed Osman Mirghani, called for a caretaker government to precede new It was not clear whether the party would rejoin the coalition after

the government announced the cancellation of the food price increases, which would have included a 500 percent rise in the price of sugar, which the Sudanese value highly as a cooking ingredient. The decision to rescind the price

rises came after demonstrators called for the resignation of Mr.

Mahdi, chanting such slogans as, "The head of the prime minister is a public demand

A general strike by the Sudanese Federation of Trade Unions left the country's air, rail and shipping facilities moribund. There was no indication when the Khartoum airport would open after shutting down Wednesday. The government said Monday

that the price increases, on cigarettes as well as sugar, would go into effect along with new taxes on imported goods. The announce-ment came after news of a pay increase for civil servants. The gov-ernment, which has a \$12 billion foreign debt and is reportedly spending \$1 million a day fighting Mugabe Orders Inquiry a civil war against southern rebels, said the price rises were necessary to pay for the wage increases.

The Democratic Unionist Party threatened to leave the government last week after parliament rejected a plan to end the civil war that Mr. Mirghani had signed along with the leader of the Sudan People's Liberation Army, John Garang. The tion of Islamic laws calling for punishment by amputation.

The agreement's effectiveness was dependent on parliamentary approval. The Islamic National Front, the group strongly advocat-ing the Islamic laws and the third member in the coalition along with Mr. Mahdr's Umma Party, opposed the peace plan, calling it a "sellout." The two parties backed an alternative peace proposal, which excluded any reference to postponing the enactment of Islamic laws. Earlier this week, Mr. Garang,

who opposes the laws, announced that his group would continue hos-

Into Graft Allegations

The Associated Press HARARE, Zimbabwe - President Robert Mugabe has ordered an official inquiry into reports that senior government officials were involved in a profitable car sales racket

Service 7900 Statement

agreement, signed last month in Ethiopia, called for the convening spread reports of top-level corrup-It was the first public move by Ethiopia, called for the convening of a constitutional conference by Dec. 31, as well as a cease-fire and a independence in 1980. He gave investigators until March 15 to check on allegations implicating 20 cabi-

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debt of \$1 trillion. But he is Mr. Bush a deficit of \$150 b

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On Jan. 9. Mr. Reagan 📲 which Mr. Bush is expected a: as the basis for his own as tions with Capitol Hill like gan proposal will manta t without any changes in tast

Leaders of both parties app lion to \$40 billion less tant the deficit would be pilon and spending changes. Thus the struggle tens is:

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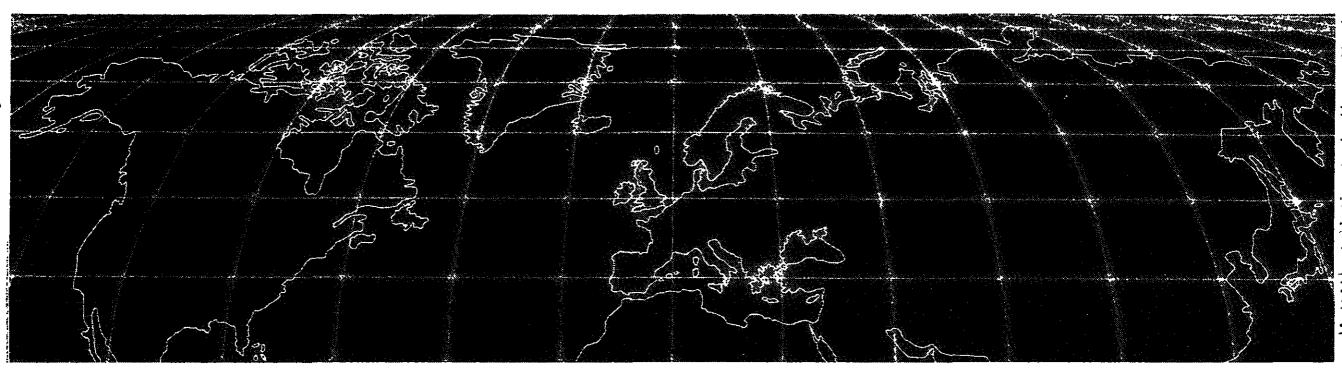
Into Graft Allego

"Nothing in the world is more powerful as an idea whose time has come."

> Victor Hugo (French novelist 1802 - 1885)

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Too Timid Over a Visit

President Hosni Mubarak's prospective visit to Israel has disappeared in the desert sands, another victim of Arab shortsightedness and Israeli intransigence. The Egyptian leader seemed poised Sunday to go to Israel for the first time. Now he has put conditions on his trip that Israel cannot accept, and an

important opportunity has been lost. But Mr. Mubarak deserves only half the blame. The other half belongs to Yitzhak Shamir for not grasping President Mubar-ak's outstretched hand immediately, for not making it politically palatable for the Egyptian to come. The Israeli prime minister cannot expect moderate Arab leaders to jump into an empty peace pool. Egyptians and Israelis now speak of the matter as a two-day wonder, gone and forgotten. But both sides would gain if they could find a way to get back where they were Sunday.

Yasser Arafat, the chairman of the Palestine Liberation Organization, opened a crack in the Arab-Israeli wall of hatred. He renounced the use of terrorism and came close to expressly recognizing Israel. As a result, the Reagan administration started direct talks with the PLO.

This put enormous pressure on Israel and Mr. Shamir responded informally with a variation of the 1978 Camp David formula for Palestinian autonomy. The idea is to provide for limited self-rule through elections in the West Bank and Gaza Strip. As

for the long-term disposition of these terri-tories, Mr. Shamir has long made clear his intention to keep them as part of Israel.

Mr. Mubarak stepped into this diplomatic swirl by saying he would go to Israel "if the visit will lead to a solution of the Palestinian problem." The condition was reasonable. Mr. Shamir responded with the meager hope that the visit could produce "positive results." That is scarcely enough to tempt Mr. Mubarak to jeopardize Egypt's renewed relations with other Arab states. So Mr. Mubarak wriggled from his initial condition to a larger one. He was ready to visit Israel, said a senior Egyptian official, "if it is ready to start a dialogue" with the PLO. The Egyptians

knew Mr. Shamir would not agree to this. Granted, the oldest Middle East game is to make proposals known to be unacceptable to the other side. But there is a lesson in the gains reaped by the PLO in seeming to show a serious interest in talks: Washington ended its boycott and finally gained room for maneuver.

Mr. Shamir's predecessor, Menachem Begin, seized the chance when Mr. Mubarak's predecessor, Anwar Sadat, showed an interest in going to Jerusalem. The result was the first Arab-Israeli peace treaty. But it could not have happened without a willinguess to take risks, a trait conspicuously absent this week in Egypt and Israel.

-THE NEW YORK TIMES.

Don't Write Off Panama

Of all the small Latin and Caribbean countries that confound U.S. policy, none is more frustrating - for being so largely a problem of American making - than Panama. The United States in a way invented Panama, as a site for a canal connecting the oceans; then invented a local military to preserve the desired stability; then, when the corruption of the military's leader, General Manuel Antonio Noriega, became too gross to ignore, it invented a challenger to him in Eric Delvalle. But Mr. Delvalle, the deposed president, who came out of 10 months' hiding to visit Washington the other day, has neither standing nor prospects. President Reagan received him for 15 minutes, Presidentelect Bush declared that "Noriega must go," and Mr. Delvalle flew away.

Earlier this year the United States hoped a quick dose of sanctions would topple General Noriega. He turned these harshly intrusive measures to his own political advantage as evidence of his patriotism. Now the civilian opposition, the unions and the bishops beg Washington to call off the sanctions, which, to the extent they are not evaded, mostiy punish the people and promote irreversible damage. Washington averts its gaze. Otherwise, the U.S. government has neither

found a way to oust General Noriega nor

opened space for others to try. The next set of hopes rests on the presidential and legislative elections due in Pana-ma in May. This will force George Bush's State Department to fix on a strategy that provides for a fair vote and promises an outcome dominated as little as possible by General Noriega, no small feat in a country where the strongest political institution is a military dismayingly well lubricated by payoffs. The widest opening for democracy will come if other Latins are encouraged and allowed to get out front in this endeavor.

Its great and enduring interest in the Panama Canal, however, gives the United States special reason not to write off Panama. Emergence of an indicted drug lord as strongman is stirring thoughts in Congress and elsewhere of holding up transfer of this permanently vital waterway at century's end, as promised in the canal treaties. The treaty requirement to turn over canal administration in 1990 to a Panamanian, who would be confirmed by the U.S. Senate, could force the question. Meanwhile, 10,000 U.S. troops sit at bases in Panama, a protective presence but a vulnerable presence, too. This is George Bush's Panama problem.

- THE WASHINGTON POST.

In Peru, a Deadly Cycle

Earlier this month, Carlos Escobar Pineda was honored in New York for his effective work as special prosecutor for disappearances in Peru's troubled Avacucho region. Now he is in Lima, abruptly relieved of his position, and with reason to fear for policemen of the murder of villagers attendhis life. By what happens to him and to his ing a wedding. For his labors, Mr. Escobar work, much of the world will judge the government of Peru. On Thursday he was scheduled to appear before a Senate com-

mittee that has opposed his efforts.

Peru has had elected civilian government since 1980, but for many who live in the Andean sierra, rule of law has yet to arrive. More than 100 lives are lost there each month in a deadly cycle of terrorism and politically inspired massacres.

Leftist guerrilla groups - Shining Path and the Tupac Amaru Front - deserve much of the blame. More alarmingly for the health of this troubled democracy, official bodies like the armed forces and police have also been credibly charged with murder. So have private death squads linked to the

ruling party of President Alan Garcia. It has been Mr. Escobar's singular achievement to make charges of official complicity stick. In 1983, his investigative efforts helped convict a Civil Guard officer and 10 was removed from the case before trial. Since being named to head the office on disappearances in July 1987, he has resolved a remarkable 50 percent of the cases he handled.

Most recently, he investigated a May 1988 massacre of 29 people in the village of Cayara. Shortly after submitting his report he was transferred out of the disappearances unit. Since then two Cayara witnesses have been killed and another was sent to a new job in the remote jungle.

One obvious way to reinforce Peru's shaky democracy would be to reinstate Mr. Escobar in his special prosecutor's job, this time with full government backing for his investigative and prosecutorial efforts.

- THE NEW YORK TIMES.

Poverty Made in America

Americans told themselves for many years that slums and poverty were the unfortunate but unavoidable byproducts of rapid economic growth. In a fast-moving and highly competitive society, the explanation went, some people inevitably would fall through the cracks. That was supposed to be why a country with the world's highest standard of living was afflicted with growing patches of extreme want close to the centers of its richest cities.

That explanation has been destroyed by the recent experience of other industrial democracies, especially in Western Europe and Canada. Many of them have grown rich very fast, but they have done it with poverty rates that are strikingly lower than those in the United States. What is it specifically about American society that produces a high incidence of poverty and, in most big cities, a visible underclass of people with no steady earnings and little hope of them? The answer is not the Reagan administration, since all of these characteristics were visible by 1980.

Even before President Reagan took office, as economists at the Urban Institute have pointed out, a far larger proportion of the U.S. population lived on incomes below the poverty line than in Canada or West Germany. There were fewer even in Britain, a much less rich country. Perhaps one rea-

Throughout the Reagan years American conservatives have argued that comprehensive social benefits are damaging to the econ-ony, through the high taxes they require, and morally corrupting to the recipients. But the economies of Europe and Canada are growing as fast as America's, or a little faster. The moral accusation is not trivial, but to the extent that benefits can be linked to training and jobs, neither is it unanswerable.

Americans have made it clear that they do not want the European kind of social welfare. But to the disappointment of the Rea-gan administration, the rise in average income over the past decade is not doing much for the very poor. The number of people living in poverty is lower now than in the last recession but significantly higher than in 1978. One out of every five American children is now living in poverty. Many of these children have no health insurance and no

reliable access to effective education. Far from being the price of rapid economic expansion, the impoverished one-seventh of the American population has become a threat to it. In terms of the crudest economic self-interest, America is not taking adequate

care of its labor force, present or future. - THE WASHINGTON POST.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Scine, France Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698

Directeur de la publication: Walter N. Thayer. Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Th: RS56928
Managing Dir. Asia: Makolin Glenn, 50 Gloucester Road, Hong Kong, Tel. 5-8610616. Teler: 61170
Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London W.C.2. Tel. 836-4802. Telex 262009
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© 1988, International Herald Tribune. All rights reserved. ISSN: 0294-8052.



Enough Brinkmanship on the Subcontinent Yugoslavia:

C AMBRIDGE, Massachusetts — Until recently, I was one of those Indian defense specialists who supported India's refusal to sign the nuclear nonproliferation treaty. But eight years of President Reagan's laissez-faire policy on nuclear proliferation has changed my mind. India was better off under President Jimmy

Carter's stringent policies.

The threat of India's exercising its nuclear option was believed to put pressure on the nuclear weapons states, the "haves," to reduce their own stockpiles. It was also thought to provide adequate gnarantees to the "have-nots," the non-nuclear states, that they would not be threatened by nuclear weapons from any source. This policy was a luxury that India

could afford - until Pakistan adopted the same game plan. Now, Pakistan also claims a peaceful nuclear energy program and

maintains a nuclear weapons option that it can threaten to exercise. Moreover, even despite the Symington and Glenn amendments, which prohibit American assistance to countries engaged in nuclear weapons developBy Raju G. C. Thomas

amounts of economic and military care under regional nuclear brinkmanaid during the Reagan years. As a result, there now exists a regional strategic posture of "minual nuclear brinkmanship" in which both

If Pakistan and India would sign the nonproliferation treaty, other treaty holdouts surely would follow.

India and Pakistan are caught in a latent nuclear arms race. For India, the more remote Chinese nuclear threat, with which it has lived for almost 25 years, could hardly be as worrisome as current nuclear de-

velopments in Pakistan. Prime Minister Rajiv Gandhi must

ment, Pakistan has obtained huge ask himself whether India is more seship or in a situation where both India and Pakistan are signatories to the nonproliferation treaty. Surely, it is wiser to give up the nuclear option, and live with the remote Chinese muclear threat, than to risk a Pakistani as well as a Chinese nuclear threat.

A Pakistan with "bombs in the basement" is hardly a comforting thought, given the emotional nature of issues in the region. Moreover, by exercising its miclear option, Pakistan could negate India's conventional weapons superiority. Averting a nuclear arms race on the subcontinent by signing the treaty would, one State Department official told me, leave India as "the winner of the conventional arms race" in South Asia.

But wouldn't signing the treaty mean India's also abandoning its traditional policy of pressuring nuclear "haves" to reduce and eliminate their own modear stockpiles? Again, a

and the more immediate risk of nuclear war on the subcontinent. Besides, India can put just as much pressure on the "haves" by threatening to withdraw from the treaty as it does now by holding out the nuclear option.

No, even with the treaty's many drawbacks, India today is better off as a signatory. After all, India be-haves as though it already is.

Meanwhile, the incoming Bush administration must choose its own nonproliferation policy. We must hope it adopts a tougher stance. After all, the Soviet threat to Pakistan through Afghanistan will soon be gone, making Washington's need for Pakistani military cooperation less urgent.

Finally, persuading India and Pa-kistan to sign the treaty should bring the rest of the significant holdouts Israel, South Africa, Argentina and Brazil — quickly into the non-proliferation fold.

The writer is a professor of political science at Marquette University and research fellow at the Massachusetts choice has to be made between the Institute of Technology. He contribut-more remote risk of this eventuality ed this to The New York Times.

The Skewer Still Turns

By C. L. Sulzberger

BELGRADE — Fifty years ago, when first I came to this capstal it could win a foreigner's heart by its pleasant originality. It was a rambling disheveled town of 350,000 people-many of them peasants visiting from the countryside, the men in bout-shaped caps, pantaloons and leather slippers upturned at the toes, and the women draped in long wide skirts and shawis. In the early morning, herdsmen drove cows, sheep and pigs through the city's center, as the lew automobiles beeped bulbous horns to clear a path through the livestock.

There was an amable freshness about this Serbian center, despite in messy history of political assassina-tion. Small Albanian boys in white shillcaps squatted in the windows of tiny bistros, turning spits — bearing sackling pigs, lambs or chickens — over wood fires. I discovered a movie theater on Balkanska Street where dogs were welcome if their owners bought a child's ticket for them It produced some mildly complicated seating arrangements but seemed a

delightful courtesy.

The evolution of Belgrade over this half century has been immense—indeed, horrendous. The population has surpassed 1.5 million and monstrous new housing projects and government buildings have risen across the Sava River. These mirror the abrupt changes in the Old City, wrecked during the war by German air attacks. The Belgrade I knew, of ambling peasants and Albanish skewer-boys, has become a pretentious, rather Westernized city.

Belgrade today is the capital of a

confused but energetic country of mixed population, beset by enormous have been violent quarrels between the Albanian Moslem majority of tians. The Serbs are being squeezed out by pressure from the ethnic Albanians, some of it cruel.

Meanwhile, a complicated eco-nomic crisis has produced what is surely Europe's worst inflation since that of the Weimar Republic.

Raif Dizderevic, a Bosnian who was foreign minister before assuming the rotating position of head of state.

Albania had no desire to cause trouble and had no revanchist desires. But propaganda and spreading unitide claims that Yngoslavia was persecut-ing its Albaniane There then he added that it was encourage cams that I agoslavia was persecuing its Albanians. There were sly efforts, he said, to develop support for a
"Greater Albania," based in Timma.
The Yagoslav president said that ao
special security measures had been
taken on the Albanian frontier, but

The country's ghastly economic situation does not help the ethnic problem. "Our foreign exchange reserves are the largest in 10 years," Mr. Dizdarevic said. "But we continue to face three major problems; high inflation, a negative growth rate and negative growth in investment."

the European Community, but this goal can only be approached gradually, Mr. Dizdarevic said.

The Yugoslavs have a unique abili-ty to complicate apparently ample things, from the dual-ticket system for dogs in the movies to the use of seemingly meaningless phrases, like "self-management socialism," to ex-

plain matters of crucial policy.

The charming President Dizdarsvic explained his complex economic goals this way. "We are still preparing a program to stabilize the situa tion. Once this occurs - and this will happen eventually - we will be able to stabilize our currency. We must have economic stability before we

od when we have to, and are resolved to, develop a democracy of self-mana-gement. Participation by the public is our objective. Equal rights and promo-tion of freedom are an important pos-

weird, worrisome and delightful country, an old friend pemembers that the dogs enjoyed the movie — even if they didn't comprehend it.

Rescuing the New Latin Democracies

WASHINGTON — The advent of democracy through Latin America has been a great boon to U.S. foreign policy in the 1980s. It

is a gift that may be squandered. In Argentina, mutineering officers are becoming as common as striking workers, with claims as pedestrian. An obstreperous colonel, infused with messianic fervor, issues a plea for respect at gampoint. The outcome: a 20 percent pay raise and a change of management

In Peru, years of economic confusion have brought the elected goverament to the brink of collapse. Drug barons and guerrillas are emasculating the Colombian government. Nicaragna and Panama seem as far from phyralism as they were under Somoza and Torrijos. Even Mexico, the stablest of Latin regimes, faces a crisis of legitima-

cy greater than any in 40 years. We are witnessing a rare mo-ment: Latin America's best chance for democracy in the quarter centrry since President John Kennedy's Alliance for Progress. The spirit of democracy remains strong, as shown by the vote in Chile against General Augusto Pinochet But in practice, democracy loses By Daniel Poneman

its luster. It is democracy that incurs the people's wrath for failing to solve the economic mess that civilian governments inherited from the military: falling commodity prices, rising protectionism and more than \$400 billion in foreign debt.

Two consequences may follow. The first is social chaos, which may bring back authoritarian regimes. Most officers are in no hunry to take responsibility for the current eco-nomic crisis, but if the situation degenerates, they may return.

The second is populism, as shown by the stunning success of leftist parties in Brazil's recent municipal elections. If populists win the presidential elections there next year, free spending inflation and debt moraoriums seem sure to follow. The U.S. stakes in Latin America

are high Successful democracies make more stable allies than dictatorships and are less prone to revolutionary takeover. With its huge trade deficit and an avalanche of U.S.bound drugs, the United States needs strong relations to the south. What can be done? The easy part is

political support for democracy; that has been freely given. Militarily, Washington should tie aid to respect for constitutional norms.

likely to put Latin America on its feet than were the billions of dollars already borrowed. But clearly, Latin America cannot grow and fully service its debt at the same time. A bold stroke may be needed to relieve the economic and political pressures.

shrewd calculation, not charity. Giving Latin economies more room to grow might revive Latin imports from the United States, which fell by \$7 billion from 1980 to 1986. Increased inter-American trade could help make up the shortfall of lost U.S. exports to Europe likely to flow from European integration in 1992.

There are limits to what Washington can do. The United States may sometimes play Virgil, but the Latins are the Dantes of this epic. They must make the ascent alone.

and Pacific nations. The writer, a former prime minister of Australia, was in Tokyo recently to end a forum on regionalism. He

contributed this comment to the Inter-national Herald Tribune. 100, 75 AND 50 YEARS AGO

1888: America Prospers NEW YORK - The cable in yester-

day's Herald announcing the divi-dends of the Vanderbilt railways had a national significance, as far as the United States is concerned. The Vanderbilt roads are the barometer of American prosperity, and this clear token of their condition means that business is booming everywhere, All the indications show phenomenal prosperity at home. Labor is content. Wages are high. There is peace between the States. There are no questions more serious than the tariff on wool. The country has passed happily through its Presidential canvass. We had an earnest, enlightened, fairly fought, honorable campaign - in its tone and consequences, the bearing of the leaders and the universal acceptance of the result.

1913: Balloon to Russia PARIS - M. Paul Leprince, the French aeronaut, landed in Russia on

Saturday [Dec. 27] after a remarkable trip of 1,600 kilomètres, under very adverse conditions, in the competition for the City of Paris Cup, open to spherical balloons of less than 2200 cubic metres capacity.

1938: British Resolution

LONDON - Prime Minister Neville Chamberlain, in a New Year's message released for publication tomorrow, serves notice that Britain "will not make any concessions to force." He asserts his government and people are "today in a position, should the need arise, to discharge our obligations to our allies, the Empire and ourselves." Read in the light of current events, the Prime Mini ter's message A ara ross attention was interpreted as an indirect warning to the axis boys, Adolf Hitler and Benito Mussolini, to lay off the rough stuff which might provoke another world war. It could also be construct as an invitation to the dictators to seck by peaceful negotiations what would be denied to them if sought by threats.

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The Woeful Democrats Need Substance, Not Strategy could be eliminated by moving these two states By Ted Van Dyk later into the process in 1992.

WASHINGTON — Each new day brings a new postmortem of the Democrats' fifth defeat in the past six presidential campaigns and more likely, lose their tempers at the nonsense

embodied in most of these notions.

I Bush and his campaign not used negative campaign themes and TV commercials labeling him a migh-taxing, big-spending, soft-on-crime-and-paign themes, they will confine themselves to an electoral base of liberal Eastern, progressive upper Mid-not fight back or "go negative" soon enough in his western and contonian Pacific states leaving beast. al base of liberal Eastern, progressive upper Mid-western and ecotopian Pacific states, leaving heart-

land "real America" to the Republicans. Relatedly, this theory proceeds, America re-mains plagued by still-unresolved racial divisive-ness. Thus, because Democrats are overidentified with blacks and their agenda, Southern white and Northern ethnic voters will keep voting for Republican presidents, intensifying the Republican lock on all but a few states. (This notion, extended, would counsel the party not only to take its distance from blacks, beginning with Jesse Jackson, but also from Asians, Hispanics, peaceniks, pushy labor leaders and women's movement figures who

might affront middle-culture sensibilities.) The bash Japan theory. Representative Richard
Gephardt might have lost his battle for the presiown campaign. This simply ignores the fact that in abandon its 60-year commitment to liberalized international trade within a multilateral system,

auxiety about the economic future. The formula: Criticize the incumbent Republi-Asian competitors while riding easier on Canadian

a corresponding proposal for change. If Franklin Roosevelt, Harry Truman, Lyndon Johnson, John Kennedy or Hubert Humphrey were still industrial states featuring the Japanese rising sun.

The negative campaigning theory. Mr. Dukakis not doing more than running TV commercials in industrial states featuring the Japanese rising sun.

The negative campaigning theory. Mr. Dukakis would be president elect today had Vice President



dential nomination, but his ideas provide a blue-print for the party's future. The party thus should self and his agenda early or risk being defined by his opposition. By refusing to so define himself (remember "competence not ideology"?) Mr. Duand find a target of opportunity in the current kakis was a sitting duck for Republican character-

izations that, regrettably, were all too telling.

The process theory. Because Iowa and New can administration for "not doing enough" to Hampshire play such a disproportionate role in the reduce the trade deficit; bash Japan and other nominating process—and because liberal activists trading partners for "unfair trading practices"; and single-issue groups dominate Democratic capitalize on below-the-surface hostilities toward campaigns there—it has become impossible for Democrats to nominate anyone who has not sold and European partners with strong ties to voting out to policy loonies by April Fool's Day in any blocs in the United States. presidential campaign year. Since the states, and

These analyses and prescriptions are wrong,

most basically because they proceed from the question, "How can we win an election?" rather than from the question, "What is the right course for the country?" Secondly, they have as their starting point the notion that a presidential campaign is just another commercial marketing campaign, consisting of little more than the clear identification of target constituencies, the testing of discrete messages to appeal to them and the allocation of resources accordingly.

The result of this kind of thinking is what we saw

in the 1988 Dukakis campaign — an effort that, from the beginning, lacked any intellectual rationale, sense of coherence or wholeness. The political scientist V.O. Key was fundamen-

tally correct when he cantioned years ago that "the voters are not fools." Indeed, they are not. Over the short term, they will at times respond to leastcommon-denominator appeals to narrow self-inter-est, prejudice and fear. But the continuing American story has been one of transcendence of narrow appeals and the embrace of the large and hopeful.

At this time, back in 1964, the Republican Party was reeling from the historic one-sided defeat of Senator Barry Goldwater and its congressional state and local-level candidates. Many counted it out as a political force. Yet Republicans have won all but one of the presidential elections since then.

The Democrats, on the other hand, added to their strength at all levels below the presidency in the election just ended. The Democratic Party does not need new short-term strategies. It needs a substantive platform of economic growth, a strong, responsible foreign policy and a continuing, uncompromis ing commitment to social justice. And it needs a presidential candidate, from any part of the country, who will forcefully make the case for such policies.

The writer, president of a Washington public policy consulting firm, has been active in national Democratic politics since 1961. He contributed this Proponents of this theory argue that Governor not the candidates, are to blame, this syndrome comment to The New York Times.

duce from any source.

members should commit themselves

to no increase in protection of any

and refuse to accept dumped pro-

Countries in an Asia-Pacific asso-

ciation should undertake to lower

protection over time by negotiation. Once rules are established, other

countries wishing to join should be welcomed, providing they abide by the code of conduct. Membership of

trade associations does not need to be

determined by geographic bounds.

An Asia-Pacific trade group

should set up an organization along the lines of the European Monetary

System to minimize unreasonable

behave in an open and principled manner, an Asia-Pacific economic

association would be just one more

group contributing to free trade. But if Europe and America continue

Trade: Atlantic Skirmishes Require a Pacific Response

TOKYO-The international trading environment has deteriorated sharply in the past few years. There is no sign that the current round of negotiations under the General Agreement on Tariffs and Trade will repair seri-

ous deficiencies in the GATT framework. The recent meeting in Montreal ended in failure. And with the escalation of the dispute over U.S. exports of meat containing growth hormones, the United States and the European Community are behaving like trade blocs already in a trade war.

GATT has dealt with trade in manufactured goods. But it has never been able to handle agriculture or commodities. Nor has it been able to contain the pressures from newly industrializing countries, or persuade the trading giants to broaden their

outlook beyond their own needs. If GATT reaches an agreement on trade in services or protection of intellectual property rights, it will only exacerbate tensions caused by these other major deficiencies. Such an

agreement would be seen as reinforcing the position of wealthy nations against the rest of the world. The negotiating energy of the EC is likely to be used up in working toward a unified market by 1992, rather than in lowering the varying levels of external tariffs. Western Europe is not seeking an open, multilateral trading system. It is aiming to reasBy Malcolm Fraser

sert European power and to establish a counterweight to the U.S. dollar and the Japanese yen. To do this, it needs one market and, ultimately, one currency and one central bank. Because the motivation is power, the Europeans will probably succeed.

In the United States, President Reagan has put in place more protectionist decisions than all other presidents since the end of World War II. The percentage of American imports subject to quota has risen threefold to nearly 24 percent in the last eight years. Voluntary restraint agreements abound. U.S. sugar quotas were slashed to 20 percent of their former level, thus harming

many developing countries.

The United States and the EC together have instituted nearly 800 antidumping cases under GATT rules. A significant mumber have used antimping provisions as a pretext to provide increased protection for U.S. and European manufacturers.

The omnibus trade law in the United States is by far the worst trade legislation introduced since World War II. In effect, it gives the U.S. administration power to discriminate or retaliate at will against any company or country. For example, if workers in a foreign factory work longer hours or are paid

less than American workers, Washington could initiate retaliation. The language of the U.S. govern-ment is still that of free trade, but there are many who believe that the actions of the Reagan administration have usbered in a new protectionist era. In America, protection is again intellec-

tually and academically acceptable. Countries in East Asia and the westem Pacific fear that the power of the EC and the United States will be used increasingly against the newly industrializing countries and agricultural exporters, whether they are developing countries or OECD members such as Australia and New Zealand.

Japan has great financial clout and considerable industrial strength. which could be used to some extent to safeguard Japanese interests. However, even Japan would be vulnerable to the kind of pressure that the EC and the United States will be able to apply. In a world of trading blocs, there are only two options for small and medium-sized nations in Asia and the Pacific. They can go it alone, or they

can form a trade and economic association with Japan. This second op-Such an association should reaffirm support for the most-favorednation principle and maintain a

currency fluctuations and help harmonize national economic policies. Such principles do not offend the policies of any country in Asia or the Pacific. They would establish a framework for cooperation and advancement that would maintain an open trading system in the region.

If the EC and the United States

tion should be pursued vigorously. multilateral approach to trade. Its

to behave as they have in recent years, and if Washington uses the new trade weapons in its armory, then such an association may be the only means of defense for Asian

The hard part is economic. A "Marshall Plan" would be no more

Such a move would stem from

The writer is a lawyer and the author of "Argentina: Democracy on Trial." He contributed this comment to The Washington Post.

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The latest 76 mm 4 1 av 1999 APPENDE TO

COLUMN TO SERVICE SERV

economic and ethnic problems. There Kosovo Province and its shrinking Serbian minority of Orthodox Chris-

I talked about all this with President

He spoke calmly but sadly about the Kosovo problem. He implied that

that a special militia unit of 400 men had been sent to help Kosovo police.

kind against other members. The group should outlaw all damping Yugoslavia hopes some day to join

get currency stability."
He added: "We have entered a peri-

tulate of our effort. The necessary constitutional changes are being prepared. We are seeking democratization by the best possible means." I am certain that what he seeks if one peels away the objuscation—is political and social reform. But in this

The writer is a retired columnist for The New York Times. He contributed this comment to the Interior tional Herald Tribane

OPINION

Yugoslaviq The Skewer Still Turns

By C. L. Sulzberge By C. L. Suiznerger

BELGRADE — Fifty year a
when first I came to this case
could win a foreigner's hear b
pleasant originality. It was a make
a disheveled town of 350,000 por
many of them peasants who disheveled town of 350,000 per many of them peasants per from the countryside, the mental shaped caps, pantaloons and by shaped caps, pantaloons and by shaped at the local women draped in long wide single lin the early morning. women crapes in and was stored in the early morning by

shawls. In the early morning is men drove cows, sheep and through the city's center, as it clear a path through the lives of there was an amable into about this Serbian center, dependently of political about this suckling pigs, lambs or chick, over wood lives, I discovered a theater on Balkanska Sunt to does were unalconstituted. theater on Balkanska Street to theater on Balkanska Street to dogs were welcome if their on bought a child's ticket for the produced some mildly complete seating arrangements but some desirability courtes. delightful courtesy.

The evolution of Belgrade on half century has been immer indeed, horrendous. The population and a surpassed 1.5 million and strons new housing biolect sale ernment buildings have issue the Sava River. These mine abrupt changes in the OM wrecked during the war by G air attacks. The Belgrade i he ambling peasants and Ale skewer-boys, has become a pe tious, rather Westernized on

Belgrade today is the coper confused but energetic com mixed population, best by the economic and ethnic problem h have been violent quants be the Albanian Moslem main Kosovo Province and its said Serbian minority of Onboba tians. The Serbs are being so out by pressure from the cline! mians, some of it cruel. Meanwhile, a complicated

nomic crisis has produced & surely Europe's worst inflating that of the Weimar Republic I talked about all this with he Raif Dizdarevic, a Bostien va foreign minister before asses: rotating position of head of the

He spoke calmly but sain the Kosovo problem. He imitel Albania had no desire to care in and had no revanchis design then he added that it was cross propaganda and spreading E claims that Yugoslavis was preing its Albanians. There were forts, he said to develop suport

Greater Albania," basel in Irin The Yugoslav president special security messes and t taken on the Albania house, that a special militia mit of the had been sent to help Koom pa

The country's glassly one situation does not help the t problem. "Our foreign a serves are the largest in 10 year Dizdarevic said. But we come face three major problems in flation. 2 negative growth in negative growth in investment Yugoslavia hopes some der the European Community goal can only be approached a

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iv, Mr. Dizderevic said The Yugoslavs have a magty to complicate apparents things. from the dual-total for does in the movies to be seemingiv meaningles mes.
"Seli-management socialis, f plain matters of crucial pol The charming President & vic explained his complet this goals this way: "We at safe ing a program to stabilite in aiong tion. Once this occurs -

happen eventually - male

to stabilize our curency. have economic stability lets Les currency stability."
He added: We have not ed when we have to, and set to develop a democracy del general Participation by the cer objective Equal rights set uon of freedom are an input Table of our effort. The new strumonal changes are being We are seeking democrati the best possible means l am certain that what ke one peels away the obliga political and social reform to

ward worrisome and define an, an old friend rame

Herald Tribute

VD 50 YEARS AGO

Savardas (Dec. 27) after 100.

Savardas (Dec. 27) after 100. .ಜ:ರ್ 31.7ys had 1938: British Read 35 the _{i∈} Van-LONDON - Prime Mine Chamberlia in a New horse released for publishing took. Service Router than the service was a service that the service was a service was a service was a service when the service was a STATE OF THE PARTY 14.

Orwell Might Have Been Surprised

PARIS - It is matter for public concern that American universities begin 1989 in serious difficulty explaining what they are, what they should teach, and by what right they teach.

The universities' crisis is related to a profound problem of the 20th century, a cause of war in our times, which is the problem of truth - an intellectual probem, but political as well. If truth does not exist, or cannot be determined, why do we do what we do? If it does exist and can be determined, and I possess the truth while you are in error, why should I not send you to prison, or Siberia, or the ovens, to eliminate error from society?

The Western civilization that produced the ferocious modern politico-ideological "truth" systems of Marxism-Leninism and of Nazism-fascism is the same one that has resisted the ideologizing of knowledge most effectively. It has defended free thought and created, in the course of its history, the democratic political system that actually asks people to decide a nation's course. It has done this on a continuing assumption of the possibility of discovering the truth about things through the use of reason.

The values of this civilization are now questioned, directly or indirectly, in the course of the university controversy. There is a debate over cultural relativism, which was most publicized at Stanford University. People ask why the thought and art of the West should be taught in the American university, rather than the thought and art of China or India.

People ask why the oral literature of Africa or the preliterate cultures of the North American Indian should be shunted to the margins of what is considered civilization. Women note that few women are among the "great" figures taught in the university, and they challenge this. A political explanation is proposed: that white European men and their de-

scendants have always controlled Western universities and dominated Western cultural life, and that they have imposed what suited them. This is obviously true. But to say that

Western society is Eurocentric is to repeat oneself. To say that its culture has been dominated by men is to state a historical fact true of all civilizations. Yet selfinterest and power-brokerage are not satisfactory explanations. To claim that they are is implicitly to deny that values or standards exist outside the play of power. Behind the cultural relativism of the

controversy is the influence of "postmodernism." This says that universal principles and values are no longer credible, no more than the Western rationalist efforts to discover general truths.

The founding assumption of the West-ern university is that reality is knowable through reason. Postmodern thought holds, to the contrary, that reason has become relativized and "pluralized," and that reality cannot be determined.

The political implications of all this are greater than some of the academic sponsors of postmodernism may think. George Orwell's great dystopia, "1984," basically concerned whether truth exists or whether it is arbitrarily By William Pfaff

invented by a power-system, made into "goodthought," or turned into "crimethought" and stuffed down the "memo-ry hole" to disappear. Orwell was rather pessimistic about the matter. He apparently assumed that the view that truth is merely an expression of power was likely to prevail in society.

He might have been been surprised by what happened: Nazi totalitarianism has been so discredited that people can scarcely imagine that millions once took it seriously; and the Soviet Union, which really did rewrite history books to meet the ever-changing demands of "truth," today is engaged in a traumatized effort to come to terms with the fact that the truths of Lenin and Stalin were false. All the things pushed down the memo-ry hole are having to be taken out one by one, uncrumpled and flattened out, re-

considered and admitted still to be true after all. Truth really has prevailed. I think the civilization in which we live would be incomprehensible and unworkable if we abandoned the beliefs that reason can arbitrate the moral claims of society and that truth exists and is ascertainable. The philosopher Alasdair Maclutyre argues that our moral identity and civilization are integrally related, and that if we abandon a belief in truth for a

cultural relativism, we are giving up all possibility of moral judgment.

Moral reasoning, he says, is itself historical, functioning in terms of a tradition and cultural legacy — which is what makes our grasp of that legacy so impor-tant. Without it, we will be left with "no ends to pursue, no ideal or vision to confer significance upon our political action."

We will be left to act on whim or fashion, if not worse. This year and last year, for example, we are all anti-racist. Why are we anti-racist? We know that it is right. How do we know? Fifty years ago black people certainly knew it, but it seems fair to say that at that time most white people took for granted a natural inferiority of black people. A hundred years ago science and the universities offered serious theories justifying racial hierarchy and racist public policies.

Seventy-five years ago most Gentile Europeans and North Americans were probably, to some degree, anti-Semitic. Fifty years ago the most powerful political movement in Europe attempted to exterminate the Jewish people, holding that this was not only the "right" thing to do but was scientifically justified. In both cases, minorities resisted the

najority on grounds of a value system that insisted on the absolute worth of the individual, and in the belief that truth has nothing to do with the prevailing power system. Eventually they won.

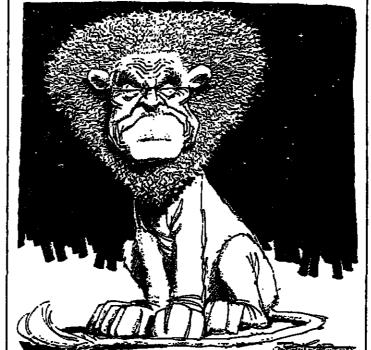
Who can say what people may believe or do 50 or 100 years from now if, as postmodernism holds, nothing objectively is true, and values and moral reasoning are merely power-games? If they are power-games, truth is defined by power and the only moral difference between you and Hitler is that he lost a war.

A visit to Delphi, in Greece, is a sobering experience. Next to the Acrop-olis, Delphi is the most important archeological site in the classical world. One regards the statues and images that have been rescued from the past, those from the Archaic period, before the 6th century B.C., wearing stylized, idealized, halfsmiles, seductive but undifferentiated (the smile of a new-born child, the guide says). In the classical period the faces become increasingly individual, intelligent, self-conscious; they become per-sons, moral persons. They offer you a

shock, the shock of recognizing an indi-

vidual across 25 centuries. They speak as well. At Delphi, incised at the entrance to the Temple of Apollo, were two very modern injunctions: "Know Thyself" and "Nothing in Ex-cess." We still fail to know ourselves, and still are victims of excess, but it seems undeniable that we live in a continuity of intelligence and moral responsibility that began with Greek rationalism. To cut ourselves off from this means cutting ourselves off from our essential quality as a society. The possibility that this could happen is what is most troubling about whole affair of the universities.

International Herald Tribune. De Los Angeles Times Syndicate



They Want a Cadillac Body, With an Option on a Brain

By John Foy

PARIS — In an age of specialists, why should athletes be barred from cializing? Why should they be penalized for using anabolic steroids? As pre-sumed performance enhancers, steroids are a way to adapt to a competitive

MEANWHILE

environment that gets more punishing every year as the material rewards for winning swell to crazy proportions. Professional and amateur athletes have been rummaging through Pando-ra's medicine cabinet for a while now.

Few of the medalists and insiders at the Summer Olympics in Seoul were stunned when Ben Johnson tested posi-tive for banned drugs. The only flab-bergasted party was the general public.

According to one of a recent series of New York Times reports on steroid use (IHT, Nov. 18), medical experts and steroid traffickers connected with the Games in Seoul say that at least 4,500 athletes of the 9,000 who competed may have used steroids to improve their act.

ally. Alton Frve states that the island

republic has diplomatic relations with

'only 22 governments." Taipei recently

established full diplomatic ties with

the Bahamas and has announced plans

to do so soon with the Marshall Is-

Nuclear and Other Waste

In response to William Broad's report

Now a Meltdown-Proof Nuclear Reac-

tor" (Dec. 8), David Lowry (Letters, Dec.

8) objects that "nuclear waste will remain a problem." We have an even

greater waste problem: the waste from

coal and fossil fuels that is now

dumped directly into our atmosphere.

It is hurting and killing people, and it

must be eliminated by a mixture of

solutions, including conservation, effi-

BRADFORD TREBACH.

Riverdale, New York.

lands, for a total of 24.

Take the case of a hypothetical male sprinter. Like any specialist, he knows that to succeed in his field he has to narrow his vision. That means sacrifice. After the rigors of physical training, already a form of damaging specializa-tion, the sprinter goes a step further and sacrifices his body's natural biochemical equilibrium. He deranges his chemistry by applying the latest in pharmaceutical

chnology to, say, his hamstrings. He has his mind trained on first place, what it takes to get there, the glittering derivatives - prize money, product endorsements, television ap-pearances, maybe lunch at the White House. Thoughts of liver cancer, premature aging, orneriness, shrunken tes-ticles — all feared by medical research-ers to be among the side effects of

steroid use — are pests to be ignored. Steroids have not been associated with drug-overdose deaths in sports, but they are said to have a certifiably damaging effect on the testicles, the liver and other organs. Aggressive behavior has also been ascribed to steroids.

The sprinter doesn't think much about this. Anyway, once he has seized victory and the revenues start to flow, he can hobble to the bank and start attending to his damaged self. Assum-

ing, that is, the damage is reversible. The Medical Commission of the In-ternational Olympic Committee is re-ported to be considering a relaxation of standards in its drug-testing program to protect the many athletes who test positive for traces of questionable drugs. That looks like encouragement to drug users.

Already nearly seven percent of male

high school seniors in the United States may be taking steroids, according to a recent national survey published in the Journal of the American Medical Asso-ciation and reported by The Washington Post (IHT, Dec 17).

So look where we're heading. As the steroid trend continues, sports events become tests of the effectiveness of drugs. What Ben Johnson really was in Seoul last summer was the fastest human on stanozolol over a distance of 100 meters. Bring on the Pharmaceutical Games — watch Brand X in lane six!

The biochemically specialized sprinter doesn't have much in common with what we like to think those Athenians were after in the 5th century B.C. - the overall paragon. Maybe history will look back at Ben Johnson as the symbolic final downturn in the demise of the whole man" in sports.

Maybe a new field of sports medicine is coming. Pre-race surgery could make the racer's body weigh less and move faster, and without enfeebling psychological distractions, by removing his or her cerebrum. The cumbersome part would be stowed safely in an alkaline bath until after the event. It would be re-installed for the post-race press conference.

International Herald Tribune.

LETTERS TO THE EDITOR

I'm not lying down with any wolf in lamb's clothing.

Why the Left Bears Right

Regarding "What's Left of the Left Bears Right," (Opinion, Dec. 20):

Jim Hoagland chides Europe's left-ofcenter governments, foremost those of Prime Ministers Michel Rocard and Felipe Gonzalez, for pursuing low-growth economic policies and for excessive courtship of business, thus betraying the ideology of their parties.

He seems oblivious that his suggested option - more spending and easier money - was tried before, when François Mitterrand first assumed the presidency of France in 1981. Within a year this attempt had to be abandoned in the wake of two sizable currency devaluations.

Under a system of open economies the dominant participant(s) can dictate the tune of economic policy. Other countries have little leeway, and had better get in line. On the other hand, there is nothing inherently wrong with low-inflation policies, as they do not necessarily entail low growth. Under such constraint, growth depends largely on the consensus between the social partners that prevails in a given society or that may be engineered (or, in a dictatorship, enforced). In a free society the latter task is quite difficult.

The blame that falls upon Prime Ministers Rocard and González must be directed primarily toward their apsolve in this respect. ANDRE S. MEYER.

Belp, Switzerland.

What About the Children? Regarding "Reagan is Right to Refuse a Pardon for Their 'Hero' " by Anthony Lewis (Opinion, Dec. 9):

The reasons Mr. Lewis gave for not pardoning Oliver North are valid, but they miss the point. What message are we sending to our children if the president pardons a man who knowingly broke the law by undermining the elect-ed Congress? Is this the kind of "hero" we want to hold up for them? If so, kindly tell me what to say about right and wrong to the student whom I may suspend for much less a transgression

LAWRENCE W. JONES. Principal, Jakarta International School.

than that of Mr. North.

Think Harder About Israel

Regarding "Let the Enemies of Israel Go to Geneva, and Stay There" (Opinion, Dec. 1) by George F. Will:

Mr. Will has long been a thought-provoking critic of the Palestinians' efforts to regain their homeland, but now he is reduced to criticizing thought. He uses the word "libertarian" p

ratively and expresses fear that President-elect Bush might use his mind instead of his heart in dealing with the Middle East. He suggests that the choice for America is between Medicare and Yasser Arafat, Yet, the \$3 billion that parent lack of resourcefulness and re-the United States gave Israel this year is obviously higher on his priority list than either Medicare or Mr. Arafat. Mr. Will suggests that UN hostility

hearts and engage their minds. STEWART COPELAND. London. May I remind Mr. Will that a number of the 150 countries that voted in favor of Yasser Arafat appearing at the Unit-

toward Israel is generated by jealousy of

"a real nation with a representative re-

gime." But in Israel, one and a half

million people have neither representa-

tion nor citizenship. Given the Israeli

army's iron-fist policy, the imprison-ment of Palestinians without trial, the

destruction of their homes, the daily killings, is it surprising that the UN

I hope the Bush administration will

use its head instead of its heart and look

for agreements instead of blindly sup-

porting an Israeli imposed solution. All

the concerned parties need to cool their

should have censured Israel

ed Nations General Assembly in New York have longer records of majority rule than Israel or the United States? If the United States cannot adhere to the international accord granting the United Nations the right to invite any speaker, let the UN go to Geneva and stay there. Switzerland, the world's oldest direct democracy, would be an excel-

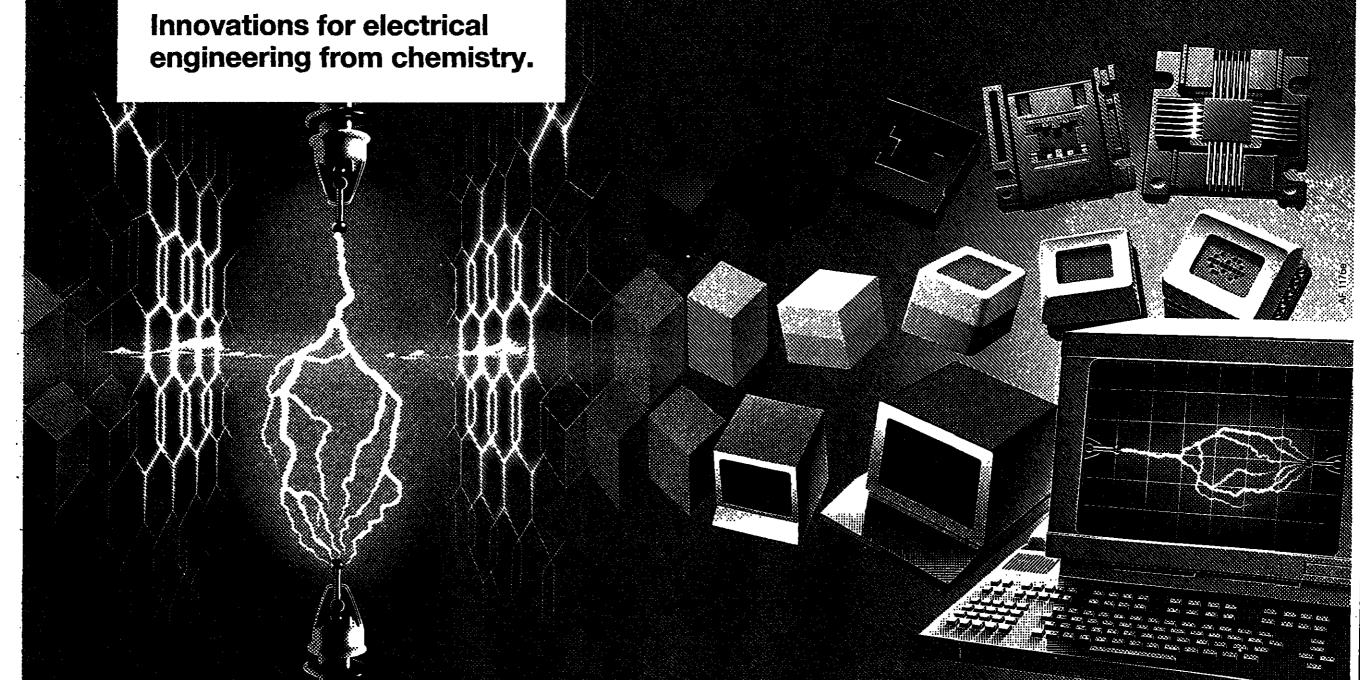
lent home for the General Assembly. A. WIDEN. Bangkok_

Taiwan's Second Dozen

Regarding "Taipei and Beijing: Don't Disturb the Dancers" (Opinion, Dec. 12): In referring to Communist China's attempts to isolate Taiwan internationciency gains, and nuclear plants. JAY M. PASACHOFF. Paris. Ten years ago while in Europe, climbed to the highest point in San

Marino and gazed in awe at the beautiful panorama before me. Last summer I repeated the exercise, but it left me alarmed. Air pollution obscured the view and hung over the valley like a dark, ugly shroud. I descended from the mountain with a feeling of desperation. We must act before we destroy ourselves, as well as the beauty of the landscape, through pollution.

RON HAYTER. Edmonton, Alberta.



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Piece by Piece, Investigators Seek Who and How

By Laura Parker Washington Pau Service
WASHINGTON — Investigators collecting pieces of the Pan Am jumbo jet scattered through the pastures of southern Scotland say

that the debris may eventually solve the riddle of how a bomb was sumggled on board and who placed But that will involve weeks of painstaking laboratory work and extensive engineering calculations to re-create the sequence of the breakup of the airliner.

By purpointing the time of the explosion and its location in the aircraft, investigators may be able held the bomb, and, from that information, determine how it was put aboard, according to officials familiar with the inquiry.

The sequence of the breakup will tell the investigators how big the bomb was and answer how one could have brought down an aircraft that stands as high as a six-story building at the tail.

So far, investigators know that the aircraft was flying about 500 miles per hour (800 kilometers per hour) in a northwesterly direction, into 115-knot westerly winds. Ra-dar data has indicated that the explosion occurred when the plane was approximately six miles southeast of Lockerbie, which is near the border of Scotland and England. Investigators may be able to pin-

ings from seismographic equip-ment. That kind of data was used to determine the time of impact of the Pacific Southwest Airlines plane that plunged nose-first from 22,000 feet (6,680 meters) into a hillside on the California coast last December

after a gunman shot the pilots. Investigators, working backward from the wreckage, will calculate the trajectory path using the wind velocity, the jet's airspeed and compass heading, as well as the weight and shape of the debris pieces. The flight recorder may also provide additional clues, according to officials. The Federal Aviation Ad-

point the time of the impact of the body jets carry more sophisticated heaviest pieces of debris from readings from seismographic equipparameters of the flight than the usual airspeed, compass heading and altitude

The flight recorder on Flight 103 contained more than 25 parameters. When investigators analyze any lateral or forward movement, any rolling or pitching from the force of the explosion, they may be able to determine which parts of the aircraft broke away first. That may tell them whether the explosion was forward or aft, and whether the explosion occurred on the

right or left of the aircraft. Once the aircraft is scientifically "re-created," the investigators may be able to zero in on a particular

bag or set of bags. The aircraft has two main cargo bins, one directly in front of the wings and one directly behind. Luggage is stored in these bins in compartments, in containers shaped slightly like igloos.

The forward bin, for example, holds 16 of these "igloos." Each is weighed, so the weight can be evenly distributed in the cargo hold, and its contents identified on a manilest. A third cargo hold is in the very rear of the plane, but it does not hold bins.

Loading patterns vary from airline to airline, but containers are often filled according to destination or transfer higgage. For example, the bags transferred from the Frankfurt leg of Flight 103's trip may have been combined into the same igloos. Luggage for first class or business class is often combined in the same compartment.

Investigators are still sorting out the information about the way the cargo was loaded into the Pan Am jet. The flight originated in Frank-furt and flew to London in a Boeing 727. At Heathrow, the Frankfurt bags were transferred into the igloos and then put aboard the 747 for the flight to New York.

SAFETY:

Tighter Security

(Continued from Page 1)

sures were carried out and to advise

passengers if they were required to

check in early because of increased

In Washington, the Federal Avi-

ation Administration said it was

ordering tighter screening of pas-

sengers and their baggage. A

spokesman for the agency, Fred Farrar, said some of the new mea-

sures were not likely to be made

public. "In some cases, it will be a

matter of degree," he said. In Bangkok, a European airline

executive said security standards in

the Asia-Pacific region were gener-

ally good. "Airport and airline se-

U.K. Urges a Global Hunt for Saboteurs ■ Israeli Call on Terrorism

By Edward Cody ngton Post Service LONDON — Foreign Secretary Sir Geoffrey Howe called Thursday for "much greater international cooperation" to track down whoever nted the bomb that destroyed a Pan Am jumbo jet over Scotland,

killing about 270 people.
Sir Geoffrey, answering questions in a radio broadcast, also said that the help of Middle Eastern nments was needed in the But he avoided saying that Brit-

ish investigators were concentrating on the Middle East in their search for the saboteurs, despite reports in the London press that immediate official suspicion had focused on Palestinian groups linked to earlier airplane bombworked in the past with intelligence agencies in Libya, Syria and Iraq.
Sir Geoffrey said that British investigators needed "maximum cooperation from governments throughout the world, including governments in the Middle East." News reports in London on likely suspects named the Fatah-Revo-

(Continued from Page 1)

ington told Agence France-Presse. The use of plastic explosives ca-

pable of evading airport detectors

has prompted U.S. experts to favor

the theory that the attack was car-

ried out by an established terrorist

U.S. authorities have posted a

\$500,000 reward for information

leading to those responsible for the

The director of the Federal Bu-

reau of Investigation, William S.

Sessions, said Thursday that inves-

tigators had to focus on the possi-bility that a criminal had planted the bomb just as much as the possi-

group headed by Abu Nidal that recently has worked with Libya; the Damascus-based Popular Front for the Liberation of Palestine-General Command, an anti-Arafat PLO faction headed by Ahmed Jebril; and the May 15 Organization, a Palestinian group that is believed responsible for bombing a Pan Am flight from To-kyo to Honolulu in 1982.

On Wednesday, British officials cited a lack of evidence and offered no theories about who might have been behind the sabotage of Pan Am Flight 103 over Scotland. The Department of Transport said only that the crash on Dec. 21 was the result of the explosion in a cargo hold of a bomb that was probably made from a high-performance plastic explosive.

Army experts were continuing to analyze the wreckage for traces of the explosive, in an attempt to learn more about how the bomb was brought aboard and by whom, officials said. Investigators at the crash site in Lockerbie, Scotland, cut up the nose cone and first-class section of the plane, the largest intact piece after the crash, to transport it to laboratories.

the United States.

"The important thing now," Sir Geoffrey said, "is for all the agencies and countries concerned to cooperate as fully as possible in trying to identify who was responsible for this outrage so they can be brought to justice

The machinery to a large extent exists because all the important countries have got their own investigative organizations, including the United States and ourselves. What is necessary beyond that is the willingness to have much greater international cooperation in the hunt for those responsible. We want to get even closer cooperation in the hunt for the guilty people with all the natious possibly con-

The pattern in past airplane bombings, combined with shrapnel marks found in a luggage rack from the Pan Am jet, have led to specula-tion that a checked suitcase was the most likely method for getting explosives into the aircraft Under Department of Transport

regulations, Heathrow Airport has responsibility for monitoring pas-sengers and carry-on bags while airlines themselves have responsi-bility for monitoring checked bags.

A senior Israeli official said Thursday the attack against the Pan Am jet last week showed that measures adopted to combat international terrorism were insufficient, Agence France-Presse reported from Jerusalem.

Deputy Foreign Minister Binya-min Netanyuahu called for "offen-sive and defensive" measures to combat terrorism.

He also accused the Palestine Liberation Organization of continuing to practice terror.

"You cannot fight against terrorists and talk to terrorists," Mr. Netanyuahu said at a press confer-

He asserted that the U.S. decision to hold talks with the PLO would "encourage terror groups" to think that they would reap a political profit by their action.

Meanwhile, the Institute of Strategic Studies at Tel Aviv University released a report showing that the international civil aviation was the subject of attack or aborted attack 664 times in the past five years.

BUSH: A Pledge to Punish Authors of Attack on Pan American Jetliner

bility that a terrorist group had of a West Berlin discotheque fre-done so. quented by U.S. soldiers. whoever was responsible recalled a Reagan, and Mr. Bush after he vow by President Ronald Reagan took office on Jan. 20, would come when he began his first term in

Pan Am explosion. But Mr. Reagan encountered difficulty in tracking down the per-On Wednesday, Mr. Reagan, who was on holiday in California, petrators of attacks on U.S. interextended for a further six months ests. It was not until April, 1986, U.S. trade and economic sanctions that his administration traced a line against Libya, accusing it of conof responsibility to its satisfaction.

in Libya attacked by U.S. war-planes in revenge for a bomb attack groups had claimed responsibility Mr. Bremer said that three

for the attack on the Pan Am jet:

Other speculation has centered on the Fatah-Revolutionary Command, a Palestinian a group headed by the terrorist Abul Nidal, and groups linked to Iran.

Talal Naji, deputy secretary general of the Popular Front for the Liberation of Palestine-General Command, led by Ahmed Jebril, said Thursday in Damascus that the PLO faction was "against this kind of criminal operation target-

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Mr. Bush's remarks on punishing Political analysts said that Mr.

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tinuing to support international Mr. Reagan then ordered bases terrorism.

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the Guardians of Islamic Revolution, the Islamic Jihad, and a group of Irish Protestant extremists whose name he did not provide.

curity moved into high gear for the

Olympics and it has remained there," he said.

He added, however, that standards at Manila and several other Asian airports, which he declined to name, needed improving to prevent unauthorized persons ap-proaching aircraft, to check the reliability of ground staff and to inspect freight carried on interna-

tional passenger flights.

John Brindley, a spokesman for the International Air Transport Organization in Geneva, said there was likely to be more control of bags in transit. The Pan Am flight started in Frankfurt aboard a smaller plane and some of the luggage was transferred in London.
"Some airlines on a multisector

flight already check passengers against luggage at every stop," Mr. Brindley said, not just at the point of original check-in. In Paris, the head of the police at Charles de Gaulle Airport, Fran-

çois le Cornec, said hand luggage was being checked systematically rather than "for every 10 or 15 people when the metal detector

bags makes it impossible to open "We cannot check everything, and we are not taking that route," direction, I would say, 'okay, give me 5,000 more people and we'll

open everything' Spokesman at other airports, including Vienna, Amsterdam. Rome, Madrid and Lisbon, said security procedures had been reviewed or intensified, particularly where U.S. aircraft were con-

"We are doing what we do nor-" mally, but we are paying a lot closer attention," said an airport security official in Rome. A spokesman at the Athens air-

port, which has been severely critiized for security lapses in the past, said tighter security included police around the perimeter fence and around aircraft. He said airport personnel must go through security checks and that steps had been taken to keep unauthorized persons away from the transit area.
Pieter Baltzer, security m

at the Stockholm airport, said his policy was to put the level of securi-ty "so high that the terrorists choose other targets." There had been no changes in the airport's procedures, he said, but normal methods were tightened up.

Mr. Milde, in Montreal, said the

cost of prototype equipment that could detect explosives in hold ing-gage seemed prohibitive for developed countries, let alone for countries "for whom the introduction of

BOMB: High-Tech Skills

(Continued from Page 1) sure equivalent to that at an aircraft is kept at about this level.

A simple altimeter trigger would This is a test of the base of sense the change of cabin pressure Japanese democracy, said Yasuntronic timer clock. After an appropriate period, the timer would close drive. an electrical circuit between a small battery and a common blasting cap embedded in the plastic. The explosion of the cap would initiate the detonation shock wave needed to

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at a naval air station in Beeville, Texas. Officials said Mr. Bush could face serious policy questions regarding the Pam Am disaster.

CUTBACK: U.S. May Shut Bases

any actions can be carried out. Neither he nor Congress may make any alterations to the proposals under the law that established the com-

"My general feeling is this will be well received by the Congress," said Senator Sam Nunn, the Georgia Democrat who is chairman of the Senate Armed Services Committee. "The odds are heavily in favor of this becoming the law of the land."

Senator John Warner of Virginia, a former Navy secretary who is the ranking Republican on Mr. Nunn's committee, said he believed "the recommendation will make it all the way through" Congress, which created the commission this year to break the impasse that has prevented lawmakers from agree-

ing on major closings since 1977.
Representative Bill Lowery of California said his initial reaction to the plan was positive. He is the ranking Republican member of the appropriations subcommittee on ilitary construction, which would have the initial House say-so on financing the closure plan.

Mr. Lowery represents San Die-Baggage in the hold is checked the plan, gaining five Navy ships, for explosives by dogs, Mr. le Cornec said, but the sheer volume of vilian jobs — all of which had been slated for San Francisco.

Commission members conceder that a loophole in the law could and we are not taking that route," allow Congress to stonewall some he said. "If we were to take that of the closings by refusing to approve the seed money needed to begin closing the facilities. The mission said the Pentagon would need at least \$300 million in fiscal year 1990 to begin its work and said that in many cases it could be several years before the Pentagon sees any savings from closing

an installation. The Pentagon-initiated decision not to include bases outside the United States was attacked Thursday by some members of Congress whose home state bases appeared

on the list. "How can we justify closing military bases in our own backyard when we don't even consider a single one of the 1,500 overseas U.S. military facilities for the same treatment?" said Senator Alan Dixon, a Democrat from Illinois. where the commission recom-mends closing the Army's Port

Sheridan and Chanute Air Force

While 86 installations are to close and four will be closed partially, the report also proposed major increases in personnel at 14 Army, Navy and Air Force installations, most to come from relocated units from facilities that

would be shut down. • A list of military bases that the panel recommended should be closed, partially closed or realigned as a cost-saving measure:

Diz, New Jersey, to sen Douglas, Utah, to clo Cameron Station, Virginia, la close Presidio, Son Francisco, la close. Navolo Depot Activity, Arizono, to close Port Wingote, New Mexico, to close, Fort Wingote, New Mexico, to close, Fortine Min.

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Naval Station San Francisco, Hunters,
Point, Colifornia, not to be finished.
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Indiana Army Ammunition Plant, Indiana.

JAPAN: The Breaking of a Taboo

nearly 14,000 signatures in one the party in power."

elementary X-ray machines is a narily avoids discussion of the emperor's wartime role and has devoted scant coverage to many small-scale protests denouncing Hirohito, generally presenting a portrait of a nation united by re-

The editorials and Mr. Motoshima's supporters say the issue of free speech has taken on more uraltitude of about 5,000 feet; no matter how high the plane subsequently flies, the pressure inside the role should be.

that accompanies takeoff, and on Takazane, an associate profeswould start a mechanical or elec- sor at Nagasaki University who is one of the organizers of the petition He and other scholars say they

set off the main charge.

"I think it's natural that the right
The mechanical elements in such wing would make a fuss," said days. People's feelings and hopes for democracy and freedom are

cratic Party's attitude, because it port Mr. Motoshima collected has much more influence and it's

Japanese newspapers published intimidated many persons who do editorials criticizing those who would try to silence Mr. Motoshima even though the press ordi-Pressure from the rightists has promise to shut down when the emperor dies or else risk being harassed by rightists. In the weeks since Mr. Moto-

shima spoke out, nearly 100 sound trucks have descended on the streets of Nasasaki, blaring threats against Mr. Motoshima couched in the same phrases used to identify targets for the waves of political ssinations that set Japan on the path to militarism in the 1930s.

To Mr. Motoshima's supporters, this invocation of the imperial mystique stirs uncomfortable echoes of the two gurls arrived by boat Thursprewar days. But they are taking heart from the public support for

"I'm not necessarily pessimistic," Mr. Takazane said. "I don't fore being transported home on a think we will so back to prewar French military aircraft. cent devices and would scarcely Nagasaki University who is also now much more deeply rooted in arouse the suspicion of an X-ray backing Mr. Motoshima. "But I Japan. That's how I felt collecting was shocked by the Liberal Demo- these signatures."

Air Disaster **Could Mean** A Challenge For Bush

By Michael Wines

New York Times Service NEW YORK - The finding that a bomb destroyed a Pan American World Airways jet on Dec. 21 may pose serious foreign policy questions for President-elect. George Bush, who led a 1986 panel that urged harsh action against international terrorism, officials said.

The questions arise at a time ofnew suspicions that a Palestinian group closely linked to either Libyz or Syria engineered the Dec. 21 bombing. A group linked to Iran is also under suspicion but is considered a less-likely assailant. Identification of any of those

groups as responsible for the bombing would place pressure on the United States to retaliate, either diplomatically or militarily, against the commy that sponsored them, officials said.

If the group linked to Syria is-found to have been involved in the Pan Am disaster, officials said, the revelation could force Washington into measures that could affect the proposals for a Middle East peace. utlined this month by Yasser Arafat, chairman of the Palestine Lib-

eration Organization.
The United States has sought to draw Syria toward a more moderate political stance that would help the peace process. But should the group backed by Syria be tied to the Pan Am bombing, experts said, some form of American response against Syria would appear almost inevitable. That group is the Popular Front for the Liberation of Pal-

estine-General Command, led by "If it was the Popular Front," a State Department official said, "they couldn't have done it without istance or at least the knowl-. edge of Syria. I think we would have to look at Syria differently."

The United States already has ---threatened to take military action: against a chemical weapons plant inside Libya. A proven role in the Pan Am bombing by the Fatah-Revolutionary Command, a terror-ist group based in Libya and led by Abu Nidal, would seem another likely justification for actionagainst Colonel Moammar Gadha-

The United States and other nations isolated Syria diplomatically in 1986 after Britain's charges that Syria sponsored an effort to blow up an El Al jumbo jet departing London for Israel. The actions came after a series of terrorist acts believed to be supported by Syria.

FREE:

2 Girls Released

(Continued from Page 1)

nalists a video cassette showing er, who disclosed that she was pregnant by her Belgian companion. Ms. Valente, who is divorced, has already given birth to a daughter, Liberte, in captivity.

On the video, Fernand Houtenounced the alleged activities of the Israeli secret services in Belgium, while his brother, Emmannel declared that "the Palestinians consider us their friends." There is : speculation that the Silco group is. being held near a Palestinian refugoe camp near Sidon in southern Lebanon.

As far as can be established, the Abu Nidal group has posed no demands for the release of the French and Belgian hostages.

Abu Nidal, whose real name is Sabri Banna, leads a breakaway Palestinian grouping that has con-demned Yasser Arafat, leader of the Palestine Liberation Organization. The Fatah Revolutionary Command has been held responsible for a number of terrorist operations, including an attack on a Jewish restaurant in Paris in 1982 that took six lives.

Although both President François Mitterrand and Prime Minister Michel Rocard have sought to hold to a low-key approach to the Silco imbroglio, partisan politics infiltrated the affair Thursday, Shortly before the Foreign Ministry announced the girls liberation, aides to Charles Pasqua, a former rightist interior minister, leaked the

The aides maintained that Jean-Charles Marchiani, an erstwhile intelligence agent who played a key role in the freeing of the three bostages in May when a rightist gove. ernment was still in power, had negotiated the sisters' release. Mr. Marchiam was in Tripoli on Thursday along with Leon Bouvier, a special envoy of the Rocard gov-

A senior adviser to Mr. Mitterrand said that it was nonsense to think that Mr. Marchiani had fig. Other groups, although they re-nounce the violent tactics of the nounce the violent tactics of the onel Gadhafi had determined on right, have called on Mr. Moto-shima to retract his words or resign na to retract his words or resign. tion was in their interest at this -

> According to various accounts, day in the Libyan port of Benghazi From there they were flown to Tripoli and turned over to their lather at the French Embassy be

> > SATIRE IN WORDS AND PICTURES

Air Disaster Could Mean A Challenge For Bush

By Michael Wines

New York Times Servee

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☐ York's Gothic Glory □ What to Do in Dakar ☐ Denmark Says 'Skaal'

International Herald Tribune

TRAVELER'S **CHOICE**

Around the World on the Concorde

Ninety-seven passengers can go on an around-the-world supersonic Concorde flight that William F. Buckley Jr. has chartered for a 24-day adventure in April. The trip costs \$39,000 a person in double occupancy for the 37,000 mile invest. 37,999-mile journey — or slightly more than a dollar per mile. It includes deluxe accommodations during stays in Mexico, Hawaii, Tahiti, New Zealand, Australia, Sri Lanka, Kenya, South Africa and London. The trip will mark the first time that the Concorde has circled the globe entirely at supersonic speeds and is expected to set a new world record by flying at an average of 1,058 miles (1,700 kilometers) an hour. Information: Lorraine Travel, 1001 Northwest Lejeune Road, Miami, Florida, 33126.

Antarctica Cruises Limited



■ The National Science Foundation and several tour operators have agreed to limit to 16 or 17 the number of cruise ships visiting Antarctics. about the same number as last year. The agreement is meant to control damage to the environment and to help scientists there get on with research. As many as 30 ships, each with 100 passengers, would like to

visit the Palmer Station research laboratories this season. said John Talmadge, director of the the National Science Foundation's polar programs division, but the foundation persuaded the tour operators to cut the number of visits. The season lasts only 60 days — from mid-December to mid-February. Talmadge said the foundation asked for the cutbacks because the tours were interfering with the work of the scientists, and the ships and passengers were having an impact on the delicate sea and land

London Theater Info by Phone

A telephone service in London that will give callers the latest information on theater ticket availability and prices for West End performances has recently gone into service. The service, called Theatreland, has a different number for each kind of theatrical production. The whole number must be dialed, even in London. Plays: 0836-430959; musicals: 0836-430960; comedies: 0836-430961; thrillers: 0836-430962; children's shows: 0836-430963; opera, ballet, dance: 0836-430964.

See Fuji or Room Free

During much of January, the Hotel Mount Fuji promises a free room to guests whose view of the nearby mountain, Japan's tallest and most reverentially regarded, is blocked for more than one minute during their stay. The hotel, about two and a half hours by rail and bus or taxi from Tokyo, is in a winter-sports region that typically is clear and cold at that time of year. Rates for rooms, \$360 a night. Currently, the offer applies Jan. 6 to 31.

Hawaiian Maritime Museum

■ The Hawaii Maritime Museum, which focuses on the ocean cultures of Europe and the Pacific, opened this month near downtown Honolulu at Pier 7. Visitors to the large two-story building are greeted by a big outrigger cance in the process of being built, part of the cance exhibit. Other exhibits feature surfing, ocean weather, yachting, shipwrecks, traditional Hawaiian fishing and ahupaa — the explanation of the traditional Hawaiian relationship between land and sea. On the water along side the museum are two ships; the Falls of Clyde, a historic Western ship, and the Hokulea, a copy of an outrigger cance that brought Polynesians to the islands. There are also hands-on activities for children. A boat built on the deck of the museum lets youngsters get involved in such activities as walking the plank, climbing into the crow's nest and shooting the water cannon. Art on view includes works by Herb Kane, Ralph Kagihiro and Cathy

Brussels-Luxembourg Expresssway

With the completion earlier this month of two sections of road near Luxembourg, the Brussels-Luxembourg Expressway is fully in service. Travel between the two cities, which used to take three hours, now takes two. (The detours around the last stretches of construction had added about 20 minutes.) The completed system is elevated, has improved lighting and additional access ramps.
It completes the freeway network that links Amsterdam,
Ostend, Brussels, Luxembourg, Strasbourg and cities in
Switzerland and Italy. An additional freeway, to run between Liege and Luxembourg, is scheduled to be completed in 1990.

Traditions and Museums in Borneo

by Marvine Howe

N BORNEO, farmers still appeal to the spirit of the rice paddy, communities continue to live in longhouses, people collect birds' nests from the roofs of caves, orangutans play in the rain forests, and orchids grow wild by the wayside.

But motor boats have largely replaced the longboats that used to ply the rivers, and descendants of headhunters now prove their valor by coming home with a university degree. Other transformations are under way with improved communications and

Borneans are becoming concerned that the island's traditions and wildlife are doomed, as loggers and developers spread into the interior, followed by TV and tourists. For this reason, museums of Borneo have assumed the mission of collecting artifacts as well as preserving customs, legends and wildlife.

Borneo - about 500 miles east of Singapore - is one of the world's largest and least known islands, larger than Texas, with a flat swampy coastline, high mountain ranges and dense jungles. The island is split politically into the northern states of Sara-

A tribal fetish made of carved wood, in the Sarawak Museum.

wak and Sabah, former British Crown colonies that joined the Federation of Malaysia in 1963; the Sultanate of Brunei, a northern enclave and former British protectorate, which became independent in 1984, and Kalimantan, the vast, little developed southern sector, a province of Indonesia.

SARAWAK MUSEUM: The earliest and best-known museum was created more than 100 years ago by Sir Charles Brooke, the second of the white rajahs who ruled the territory as if it were their private plantation for about a century until World War II. The museum opened in 1886 in a temporary building in Kuching, the state's capital. In 1891, the museum moved into its permanent building, designed by the rajah's French valet along the lines of a Norman town hall and set in a spacious garden. The museum grew steadily until the depression of the '30s and then the Japanese occupation, when the museum and its research activities declined from lack of funds.

When Sarawak became a British colony, the museum was put under the direction of the late Tom Harrisson. Scholars were invited to carry out research and studies on ethnic groups and wildlife. As curator, Harrisson used to say a museum in a small country must be inclusive, never specialize and "be interested in everything, collect everything." After Sarawak joined Malaysia, a Malaysian was named director but Harrisson's policies were maintained and the staff, funds and space were increased.

Today, the Sarawak Museum includes two large exhibition areas, an administration building, two storage houses, a work-shop and a building for reference library and state archives. The original museum has displays on ethnography, natural history and mineral resources. An extension in the Dewan Tun Abdul Razak, or former legisla-

facts, heirlooms and a documented history. In addition to its regular activities, the museum has the responsibility to find, acquire and protect antiquities and historical

tive assembly, includes archaeological arti-

Among the most popular exhibits are models of the Iban longhouses, the tradi-tional bamboo and palm-thatch dwellings on stilts where 5 to 30 families live in oneroom apartments under a common roof, sharing work and social activities.

"People identify themselves with the longhouse," Peter Kedit, the museum's ethnologist, said recently. But now Ibans increasingly live in one-family homes and the institution of the longhouse, with its democratic decision making and mutual assistance, is threatened.

The Ibans, mostly rice, pepper or rubber farmers, are the largest of Sarawak's 25 ethnic groups, making up nearly one-third of the population of 1.5 million. Another Iban exhibit is the icon from the Hornbill Festival, a brightly painted wood bird which is paraded along the longhouse galiery, then hoisted on top of a pole, as a sign of readiness to attack the enemy.

A display from the Bidayuh, one of the main ethnic groups, features spirit images, faces carved on wooden posts usually placed at the entrance of a village. The Bidayuh are rice farmers in the Kuching area and are known for intricately carved bamboo musical instruments.

From the Melanau come sickness images small wooden figures with their arms placed over the sick area, intended to drain away the evil spirit. The Melanau, a coastal people who generally live by fishing, also make horn-ivory fetishes to attract fish.

The finest wood carvers are found among the Kenyah and Kayan minority groups. generally upriver rice and rubber farmers. Exhibited are remarkable masks with large protruding eyes, used in harvest ceremo-nies, baby cradles adorned with colored beads, the dragon-dog with horns and fangs often used to decorate coffins or canoes, and the sape, a four-stringed lute, played at dances or a witch doctor's ceremony.

In the museum's heirloom collection are ceramics, metal objects, glass beads and other ornaments brought to Borneo as early as the 11th century by traders. The natural history collection includes examples of endangered species: the shaggy red-haired orangutan, which used to be found all over Sarawak; rhinoceroses, widely hunted for

Continued on page 10

The Quiet, Rugged Charms Of a Remote Canary Island

by Joe Kirwin

ANTA CRUZ DE LA PALMA, Canary Islands -- Back in the early 1970s, when tourism on Tenerife started to prosper, a feature attraction was a nightly fireworks display. But that incandescent light show wasn't manmade. It was compliments of the last active volcano in the Canary

Islands, Teneguia, which was erupting on the island of La Palma, about 110 kilometers (70 miles) away.

But in late 1971 that fiery exhibit ceased and with it the westernmost island of the Canarian archipelago drifted back into isolation. True, on the clearest of days, the island could be spotted on the horizon from lower elevations on Tenerife, the biggest and most populated island, but the closest most European tourists got to it were photographs. The sun-seeker invasion never made it to La Palma's shores.

Perhaps the main reason is that those shores aren't exactly overflowing with stretches of white sand. But what it lacks on the shoreline, La Palma makes up for in the heights. It is a monument of mountains — no other island has steeper peaks than the 2,300meter (7,500-foot) skyscrapers that drop to the island's verdant, rocky shores. Tenerife might have the 3,000-meter Teide but the Andenes, including the 2,423-meter Roque de los Muchachos in the Caldera de Taburiente National Park, form a precipitous backbone of a spectacular mountain range.

The centerpiece is a curious horseshoe-shaped ridge around a huge crater where the park is located. These mountains have had a dominant influence on life in La Palma, affecting everything from the climate to the economy.

Because nothing but endless ocean is on its western flank, those mountains are the first stopping point for clouds in the jet stream crossing the Atlantic. Thus, La Palma has an abundance of lush landscape filled with the most diverse cover of vegetation to be found in the islands. Whether it be fruits, pines, palms, laurasilva trees or the huge ferns in the rain forests in the north, it is a botanist's paradise

It is also an astronomer's haven. Situated high above the rain clouds and with no bright lights to disturb viewing is an astro-

When you first venture onto the island, high science is the last thing you would think is part of La Palma's life. And for that matter, tourism. Entering the gateway, Santa Cruz de la Palma, you feel as if you have just entered a sleepy town where most of the inhabitants are out in the numerous tobacco and banana fields that are the heart of the agricultural economy. Walking among the simple, white, concrete buildings fitted

with wooded balconies and framed windows, the place has an austere yet authentic look. Sipping coffee at a local café, you Continued on page 11





La Palma offers mountainous terrain surrounded by superb views of the ocean, left; while a carnival erupts in the usually quiet streets of Santa Cruz, above.



Bocuse's Decline? The Reply Is on the Plate

YON — Like many public quarrels, it began quietly. A few weeks ago the 1989 edition of Christian Millau's French restaurant guide, the Gault-Millau, appeared in book stores. The world's best-known chef, Paul Bocuse, had been taken down a peg.

The current edition reduces his restanrant's rating from a 19 out of 20 to an 18 and from four symbolic toques to three, suggesting that it wasn't so much that Bocuse had declined, but that other younger and more energetic and creative chefs were surpassing him. The guide also took away his laurier de terroir, the symbol used to alert diners that the restaurant offers regional cuisine.

Bocuse — who since 1965 has held the Michelin guide's highest rating of three stars - responded by sending out Christmas cards showing cartoons of Christian Millau dining as is his custom, with his dog. Under the title "Les Critiques Gastronomiques," one cartoon shows Bocuse standing beside the pneumatic Michelin tire man at table. The Michelin man points to Millau, who is feeding his dog from the table, and says: "Ce type me gonfle," an expression playing with the Michelin man's inflatable appearance while also suggesting "this guy's get-

ting on my nerves."
We returned last week to this bright and

flashy restaurant on the Saone River north of Lyon to see for ourselves. With its new coat of cinnamon-red paint and with can-dles shining from every window of the big house where Paul Bocuse was born, the restaurant appeared as animated and alive

PATRICIA WELLS

as ever. And as we imagined, basically nothing had changed.

Walk in as two foreign women, and you're not likely to be ushered to the best table in the house. Order a glass of champagne and they may bring you a kir. As with any institution that is open 365 days a year, one senses that some among the staff occasionally have trouble waking themselves up from the unchanging routine.

But the best reasons for dining at Bocuse are still there: the familiar, homey menu in its pure and simple glory, the roaring fire, the children's menu (an idea Bocuse swiped from Disney's Epcot Center), the tall candelabra lit ceremoniously at each table. Bocuse at 62 is still bigger than life, but he's there touring the dining room, sitting to chat with guests, sipping Mumm's champagne and seeming to worry about his thickening girth. No matter how overblown and overpublicized Paul Bocuse might be, a trip to Collonges-au-Mont-d'Or can still be considered a pilgrimage.

Bocuse calls his food cidsine de tradition and that's just what it is. The man who has inspired a generation of cooks and almost single-handedly sparked the 1960s food revolution that has spread around the world has never been known for highly innovative

He learned his lessons from the master Fernand Point, who insisted that a grand restaurant should be like a grande maison bourgeoise, known for a tradition of simple food and good products. That is Bocuse's real idea of nouvelle cuisine, not the thought that a chef must invent a new dish every day.

And so his food remains unfussy and to the point. There is the fresh-flavored, wellseasoned terrine of wild hare and foie gras accompanied by a tossed green salad, the plump poulet de Bresse roasted in front of the giant fireplace, and the grilled lobsters from the Viviers d'Audierne near the Point du Raz in Brittany. In the winter, there is the regionally inspired gratin of cardons, the celery-like winter vegetable, as well as the rich, cream and potato gratin dauphinois. Not to mention the famed platter of cheeses from Renée Richard in Lyon, chocolates from Bocuse's son-in-law's family, Bernachon, and the groaning board of desserts on

the rolling cart, popularized by Point.

The restaurant's newest dish — tiny fillets of rouget (red mullet) layered with thin potato slices designed to look like fish scales — fits the house perfectly. As is the fashion today, the fish is cooked on one side only, the potato side. The fish is fresh, and the potatoes add a satisfying, homey touch. No big secret here, just something most of us would be very proud to serve. Christian Millau is right, there are youn-

French chefs who are more ambitious and more innovative. But it is wrong to chastise Bocuse for his lack of innovation. If you want fireworks and a symphony of flavors that dance on your palate, then head for Pierre Gagnaire's in Saint-Etienne. If you want exciting, historically inspired food that is carefully researched and well thought out, reserve a table at the Lion d'Or in Romorantin. If you crave exciting flavors, food that is filled with inspiration and energy, look toward Joel Robuchon. And if you want it pure and simple, stick with Bocuse.

Paul Bocuse, 50 Quai de la Plage, 69660 Collonges-au-Mont-d'Or, tel: 78.22.01.40. Open daily. Credit cards: American Express, Diner's Chib, Visa. Menus at 60 francs (children only), 520 and 570 francs. A la carte, 500 to 700 francs, including wine and service.

LES CRITIQUES



TRAVEL

THE FREQUENT TRAVELER

Pacts May Widen Air Choices

by Roger Collis

HARDLY need a crystal ball to predict that news of cross-border alliances will dominate the airline world in 1989. Mega-carriers in Enrope, Asia and the United States see multilateral agreements as a means of gaining access to each other's markets by building hub and spoke operations on each continent. Airline presidents talk about "critical mass," "economies of scale," "improving competitive edge" and providing a "more efficient total travel

For large airlines the issue is growth; for small airlines it is survival. What's harder to predict is whether the traveler will benefit from a better choice of airport as well as airline, more point-to-point services, more convenient schedules and lower fares. The answer, as Sam Goldwyn might have said, is a

"Airline liberalization on one hand and consolidanon on the other are part of the same process. You've got to ask, what will the passenger have after this total happening?" says David Learmount, air transport editor of Flight International magazine in London. "You will probably have greater flexibility, a wider range of types of service, more frequency, not much reduction on fares, though probably fewer restrictions. But I think the business guy's going to

get better value. Standards are going up."

"Providing there is competition in the system and the passenger is free to choose. I cannot see a problem," says Geoffrey Lipman, executive director of the International Foundation of Airline Passengers Associations in Geneva. "But authorities should look at all forms of cooperation and crack down at the first hint of price fixing."

Pundits point to the need for the EC to adopt a tougher line on antitrust than that of the U.S Department of Transportation. A result of deregulation in the United States is that seven carriers handle more than 80 percent of traffic. This has led to greater choice on some routes and less on others. Try flying out of Atlanta on an airline other than Delta. You need to have three airlines serving a route to have effective

This year there has been a spate of cooperative airline deals, ranging from marketing partnerships (such as that of British Airways and United Airlines) to minority equity swaps (KLM has acquired 14.9) percent of Air UK; SAS acquired a 9.9 percent stake in Texas Air Corp. and 24.9 percent in British Midland and may ultimately buy 40 percent of Aerolinas Argentinas; Ansett Airlines bought a 20 percent stake in America West Airlines) to outright mergers (British Caledonian was swallowed up by British Airways; BA and Denmark's Maersk Air have jointly acquired Brymon Airways, one of the two carriers at London City Airport).

E can expect many more cooperants tures and mergers in 1989. Japan Air Lines may acquire a 20 percent stake in Hawaiian hid for a stake in Lan Chile; Air; BA intends to bid for a stake in Lan Chile; Qantas has plans to start a hub in Frankfurt as part of a deal with Lufthansa; Singapore Airlines is expected to form an alliance of some kind with another carrier; insiders say that the French government has plans to merge Air France and Air Inter in a reshaping of the industry which could include UTA; Iberia is said to be seeking joint venture partners in Europe; there will be alliances between U.S. and Asian airWhat we're seeing too is the growth of regional airline blocs driven by the belief that Europe as one market after 1992 may negotiate multilateral rights for air transport replacing the present bilaterals.

The first attempt by a European airline to take adventure of a posterior sincle product is the holding

advantage of a putative single market is the holding company of Air Europe (ILG), which plans to set up six European airlines under a joint Airlines of Europe corporation in Amsterdam. African carriers are talking of establishing regional joint ventures and similar moves are afoot in the Arab states.

What's in it for the passenger will depend on the quality of choice for intra- and inter-regional travel. Airline cooperation works best (for airlines and passengers) when partners do not compete directly

You will probably have greater flexibility, not much reduction on fares.'

with each other. Passengers benefit from single check-in service and smoother connections at shared terminals. Such is the case with the BA/United partnership; BA services from Britain to Chicago, Washington, San Diego and Seattle connect with United's services to 160 cities within the United States and to 10 countries bordering the western Pacific. Check-in computers of the two airlines have been linked. And in 1990, United will share BA's terminal at JFK in New York.

An important consequence of airline cross-border mergers and alliances will be the breaking down of the national identity of "flag carriers" and with it the protectionism which has for so long impeded free competition. The days are gone when a passenger was loyal to his flag carrier, planning his business trip around its timetable," says Jan Carlzon, president of SAS in Stockholm. "He decides on a meeting and then finds the airline with the most efficient travel service." Neither SAS or British Midland will give details of their plan to cooperate in Europe. But the deal gives

and benefit from a wider market to feed traffic into its main hub in Copenhagen.
Good news for the business flier is that the alliance will enable BM, an independent airline which has nioneered lower fares with fewer restrictions, to develop new routes in competition with the national

SAS a hub at Heathrow to compete directly with BA

Says Michael Bishop, chairman of BM in England, "What I believe is that there will be the same major airlines in Europe in the 1990s as the 1980s. But they will be different; they will have consolidated and got bigger, and developed strategic partners. But the way in which they do business will change dramatically. You will have blocs, but competitive blocs. As long as there are people in the industry who want to grow and get more business and market share as we do then you'll have competition. That's what is in it for

The Glory of York Minster's Gothic Styles

by Craig R. Whitney

ORK, England — To ask how we should look at a great cathedral is a question that could arise only in the modern age. To all in the medieval age of faith, when the great buildings were raised, cathe-drals were holy books written in stone and stained glass, symbolic visions of the world from the Creation to the end of time, when Christ would return to judge both the quick and the dead.

In no two cathedrals is the story told exactly the same way, which allows us to learn something of how men and women 600 or 800 hundred years ago saw the world, and interpreted the Word. Since they were built over centuries, by many different artists and architects, cathedrals have all the quirks and crotchety failings of human beings, and something of the national character of the countries from

which they sprung.
The style we call Gothic was a French invention, springing up in the middle to late 12th century in the lie-de-France, where over the next 150 years architects and builders pushed their soaring pointed arches and stone vaults ever higher on walls that soon became mere ribs between windows, as flying buttresses shouldered the weight instead. It was a fad, ecclesiastical because the church had most of the money, but a most inspiring and enduring fad nonetheless.

England's kings of the age, who were also French, brought over the tor's interest. In Canterbury, the prevailing monastic style after the spot where Thomas à Becket was Battle of Hastings in 1066 (so the murdered in 1170; in Wells, the English call it Norman instead of great scissored buttresses in the Romanesque). Later, as the new Gothic style caught on in France, they imported that, too, bringing architects, glaziers and stonecutters across the English Channel; the or the architecture, but to see the first architect of Canterbury Cathe- many tombs and monuments that dral, the Frenchman William of actually conceal its stylistic glory. Sens, even had stone for the choir brought over from Caen.

English about the great churches these architects and their successors built in Canterbury, in York, in Lincoln, Ely, Salisbury and Wells, among other cathedral towns on the island.

While the Bareal Line at the Cathedral Church of St. Peter at York actually the Metropolitical Cathedral Church of St. Peter at York actually the Metropolitical Cathedral Church of St. Peter at York actually the Metropolitical Cathedral Church of St. Peter at York actually the Metropolitical Cathedral Church of St. Peter at York actually the Metropolitical Church of St. Peter at York actually the Metropo

While the French built their churches ever higher, reaching such Church of England only to Canter-vertiginous heights in places like bury, could hardly look more En-Beauvais that the walls kept falling glish. Its great towers, pinnacles n, the English built theirs ever wider instead. They slowly modified the pointed arches (in the style conventionally called Early English), decorating them more and more of a British settlement. with geometrical and foliage patterns in the style known as Decorated, in the late 13th and early
14th centuries. Finally, in the 15th

Norman cathedral and an even eartowers of York Minster," he said.

Norman cathedral and an even eartowers of York Minster," he said.

Norman cathedral and an even eartowers of York Minster," he said.

Merchants and moneychangers, who througed the nave, set apart as



York Minster dominates the English town.

century, they began stretching out the arches, widening them out and bowing them in a style not found

anywhere else in Europe, called

VERY one of the English cathedrals has something special to attract the visimurdered in 1170; in Wells, the nave, holding up the piers to the central tower. In Westminster Abbey, (not a cathedral, technically), most visitors come not for theology

A rewarding visit to a cathedral can concentrate more on its archi-But there is something ineffably tectural details, its sculptural riches

York, second in importance in the and buttresses rise majestically over the half-timbered houses and winding streets of the walled city, founded in Roman times on the site

Like the city itself, York Minster

1220 to 1472, in a glorious mixture of all the English Gothic styles. Start outside the west door,

standing back a bit. The western towers and the windows, with their stone ribs tracing out a heart-shaped figure, were built last, with the details in the Perpendicular Walk around the Deangate, to

the south transept, and you see the unadorned arches and lower windows, all in the Early English style, The eastern end, the choir, is Perpendicular, and, on the other side, the free-standing octagonal chapter house with its pointed roof is in the Decorated style, built from 1260 to you see. Look at these pillars — 1290, and extending from the Early English north transept.
Inside, the first thing a visitor might want to see is the restored

wooden vault of the south transcpt, destroyed by fire after lightning struck in 1984.

F you wonder what kind of people they were who made these great buildings, you need only ask for Peter Gibson, the superintendent of the glaziers' trust, who has been working on conservation of the windows since

"Every working day of my life I come out of my home, where I have lived all my life with my mother and father who have now passed away, and the first thing that greets

through the west door of York Minster can fail to be impressed by the majesty of the building. Seeing the beauty of this house of God is part of my life — all I am doing is keeping faith with the medieval craftsmen who created these mar-

velous windows centuries ago. Allow him a little local pride.

Twe visited the French cathedrals — Chartres, Bourges, Sens, Le Mans — and they are great cathe-drals. But in none of those do you get, I think, the majesty of this building," he said, standing in the nave of York.

massive. As we stand here in the nave, see those windows in the clerestory. Each of those windows, 100 feet above our heads, is almost 35 feet high. When you get every-thing else that goes along with the size, the glass, the architectural de-tails as we look at the arcading here on the south side of the nave, just look at it - 14th-century perfection in itself."

Awe was what the builders intended by creating buildings of such size. At York they made the nave and transepts so wide they could not be spanned by stone vaults, so the callings are of wood

Light floods in through the huge windows. But awe was not all the cathedral inspired. It attracted not only worshipers and pilgrims but the "secular" part of the basines by a thick, heavy stone screen. This allowed the clergy to say sing the liturgical offices relative undisturbed in the choir. (In sec cathedrals, for instance Winch ter, a separate stone screen, th resectos, separates the high al

from the chapels at the east Standing on the screen, face the nave, is a row of 15th-on statues of the kings of English from William the Conquerors Henry VI of the House of Lance

The windows are much more than prisms to dapple the stone columns with splashes of red, blue and orange light as they do now on sunny days. They were not distincted to dazzle but to inspire and instruct, with a mixture of sec. ular and sacred aims in mind.

"They are, in fact, storybooks," Gibson said. "Some people says stained glass window is a poor man's Bible, but I must say, you've got to have pretty good eyesight for some of them."

N the sanctum sanctorum of York, the Lady Chapel at the east end, the contemplative visitor was invited to study the Creation, to the end of time.

The east window is as big as a tennis court: 76 feet high, 32 feet wide (23 by 9.7 meters) with 161 separate panels in the stone tracety at the top and 117 square panels below, all painted on colored glass by an artist named John Thomton, from Coventry, from 1405 to 1408.

The Old Testament story of the Creation is at the top, over white medieval Christians believed to be its New Testament fulfillment: the Revelation of St. John the Divine, in the bettom panels.

"I only wish we could go up to the gallery extending across the window, three quarters of the way up, to look at the detail on those uppermost panels," Gibson said.
"Can you see the Creation taking place? It starts in the left-hand panel up at the top, and then the story works through to the fifth panel in the very center, the birds and the fishes. On the extreme right-hand side on the first row you can maybe just make out the figures of Adam and Eve in the Garden of Eden."

"Underneath the gallery, the rest of the window down to the bottom row tells the story of the Revelation. And it begins with St. John in a cauldron of boiling oil. I like to hink that people coming here sit in the Lady Chapel and trace verse by verse the unfolding story — it could take an entire afternoon."

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Borneo Museums

their horns; the large green turtle An exhibit on the oil and gas

industry illustrates with photographs, models and a video tape how Shell Oil found oil in Borneo nearly a century ago. There is a major exhibition on the discoveries from the Niah caves, about 300 miles north of Kuching and now considered the most important archaeological site in Southeast Asia. The Painted Cave, next to the Niah Great Cave, has been reconstructed

Sarawak Museum, Jalan Tun Haji Openg, Kuching, Sarawak, Malaysia; tel: 082-24231. Closed Friday. Free admission.

SABAH MUSEUM: The Sabah Museum was born in Sandakan, a trading post on the Sulu Sea in 1866, the same year as the Sarawak Museum, but has had a more turbulent history, finally vanishing al-together in World War II.

Sabah suffered widespread devastation in the war, with Sandakan and other towns destroyed. Unable to finance the extensive redevelopment required, the Chartered Com-pany reimquished its rights to the British government and Sabah be-came a British colony in 1946. Only after Sabah joined Malaysia was there a movement to establish a permanent museum in the state. In 1965, a museum was formally opened on the third floor of a shop in Kota Kinabahu, the state's new capital. After several delays, the new Sabah Museum was opened in

April 1984. The \$30,5 million complex on Old Palace Hill a mile and a half from Kota Kinabalu center, is the most splendid museum in the area. The main building represents a longhouse, while the roof beams symbolize the Samazan or courtship dance and rows of Moslems at prayer. The Science Center represents a cone-shaped reed dish cover, the Art Gallery/Theater is shaped like a hat, and the Conser-

Some critics would have preferred that more money were spent on documentation or training staff. There is an ultra-modern multivision theater and what is said to be the world's largest exhibition on the oil industry. Galleries on the three upper levels of the main raphy, ceramics, history, archaeology and natural history.

Another display shows how headhonters used to string up their trophies. "It was a sign of manli-ness; if a young man didn't have a gapore where they are sold for head to show, he couldn't get mar-ried," said Judith John Baptist, the museum ethnographer. The Morut the museum have carried out stud-

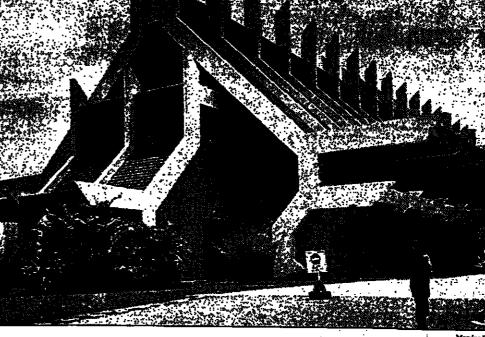
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varion Center represents a betel nut ies among 25 of the 30 ethnic groups in the country, studying rituals. Recently they have begun to

One section demonstrates the economic, cultural and archaeological importance of limestone caves. There is a model of a Madai cave where a team from the museum building hold collections of ethnogedible birds' nests by Idahans, Collectors with candles and bamboo poles gather the timy swiftlet nests

from the ceiling of the cave. These are exported to Hong Kong or Sinbird's nest soup.

mounted Sumatra rhino, said to be group was head hunting until 1915. almost extinct. Another exhibit In the past decade, teams from shows traditional uses of bamboo.



The Sabah Museum building, opened in 1984, represents a longhouse.

KALBMANTAN INDONESIA

record religious practices and other

Among the rarest displays is the Sabah Museum, Bukit Istana

Lama, Jalan Muzium, 88000 Kota and fishing are shown with elabo-Kinabalu, Sabah, Malaysia; tel: 53199 or 225033. Free admission. rate dioramas

BRUNEI MUSEUM: Borneo's youngest museum is in Branci, which dominated the region in the 16th century. This sultanate, scarcely larger than Delaware, with a population of 227,000, is one of the wealthiest countries in the world, thanks to oil discovered in

1929 and natural gas in 1965.

In 1950, at the invitation of Sultan Ahmad Tajuddin, uncle of Bruner's present ruler, Tom Harrisson of the Sarawak Museum studied the feasibility of a museum and concluded that "the status, history and culture of Brunes" justified building one at Kota Batu, once a trading center four miles from the present capital of Bandar Seri Begawan. Queen Elizabeth II opened it on Feb. 29, 1972.

The Brunei Museum is a long. three-story building on a wooded hill, overlooking the Brunei River. The 120-acre site includes the archaeological area. Excavations and surface work at Kota Batu have yielded 110,000 stoneware and porcelain shards, dating as far back as the Tang period (A.D. 618 to 907), as well as some 10,000 earthenware shards.

The pride of the museum is the brassware collection, displayed in the Borneo Room. There are huge brass containers with molded designs, gongs and everyday utensils. The museum's 500 brass cannons are one of the finest such collections in the world.

In another gallery, traditional snares and traps used for hunting

Just down the hill, a large build ing stands on the riverbank, clearly intended to symbolize a longhous but resembling a cement factory. The Brunea Museum of Malay Technology, which opened last February, is a \$7 million gift from the Royal Dutch-Shell Group to mark the restoration of Brune's independence.

Brunei Museum, Kota Batu, Ban dar Seri Begawan 2018, Brunei Dar-ussalam; tel: 02-23727 or 02-44545. Free admission.

CHURCHILL MUSEUM: More accessible is the Charchill Memorial Museum in the center of the capital. Designed in the form of a crenclated crescent, the Churchill Museum is a tribute to Sir Winston. It was commissioned by the former sultan of Brunei and was opened by his son, the present ruler Sultan Hassanal Bolkiah Muizzadien Waddaulah in 1971.

The museum contains a collection of Churchill memorabilia, manuscripts, photographs and models, illustrating the different

As if to balance this link to the colonial past, part of the Churchill Memorial Building is devoted to Brunei's Constitutional History

Churchill Memorial Museum, 14 ian Sultan, Bandar Seri Beganan 2085, Brunei Darussalam, tel D 25354. Open Wednesday to Mon day. Free.

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TRAVEL

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the "secular" part of the bulk by a thick, heavy stone screet.

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The Old Testament story Creation is at the top, our medieval Christians believed its New Testament fulfillmen Revelation of St. John the L. in the bottom panels.

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"Underneath the galley, &; of the window down with row tells the story of the le tion. And it begins with & Je a canidren of boiling of lie think that people come in the Lady Chapel animag by verse the unfolding uncould take an entire armon.

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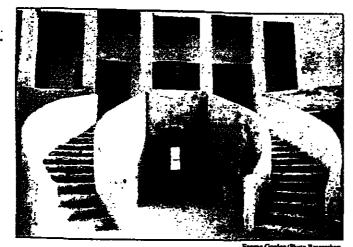
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The House of Slaves on Gorée Island.

Dakar: Africa With Urbane **European Style**

by Susan Katz Miller

ET on a peninsula that curls out into the Atlantic Ocean, Dakar, Senegal's capital, is the westernmost city on the African continent. Here. one can witness a rich amalgam of African, French and Islamic culture without abandoning the comforts of home. Dakar offers all of the amenities of Western urban life including luxury hotels, computer-ized telecommunications, international banks and Continental cui-

The number of French people in Dakar has increased since the country gained its independence from France in 1961. There are still kiosks on just about every other corner selling French bread, freshly baked several times a day. And it is not unusual to see a French woman feeding her poodle under the table at a chic restaurant. However, the Dakarois have molded the French influence to their own purpose. Famed for their beauty, Senegalese women parade the streets in highfashion outfits whipped up out of African fabrics by personal tailors. On Friday, the Moslem Sabbath,

even the businessmen who wear three-piece suits the rest of the week don the gold-embroidered damask robes known as boubous. More than 85 percent of Senegalese are Moslem, and when the muezzin calls from the minaret on Friday afternoon, the faithful roll out their prayer mars, kneel in the streets, and face Mecca.

HE variety of architectural styles gives a sense of the city's history. Moroccan craftsmen built the Great Mosque and adorned it with green tile mosaics in the Moorish style. The scarlet uniforms of the presidential guard emphasize the gleaming whiteness of the presidential palace, a relic of the colonial era. The Victorian architects who designed the train station and the covered market called the Marché Kermel favored ornate trimmings. In contrast, the Marché Sandaga was

post-modern African style embodied in the richly decorated skyscraper that houses the Bank of the Economic Community of West African States.

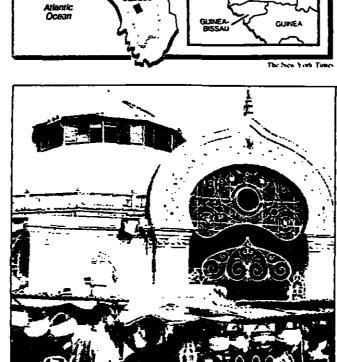
The sea breeze keeps Dakar (population about 1 million) sunny, dry and in the 70s (about 20-25 degrees Centigrade) from November to April, making that period the best for walking, though there are always plenty of inexpensive taxis. The rest of the year is hotter, with the rainy season generally July through October.

EOPOLD Senghor, a world-re-nowned poet and the former vated Dakar's image as the cultural heart of West Africa by founding a profusion of arts institutions. The Daniel Sorano National Theater on the Boulevard de la République, is a showcase for performances by national dance choral and dramatic troupes that create modern works based on the traditions of Senegal's many ethnic groups. All performances are \$3.50 (based on \$1 to 283 francs C.F.A., a currency used in Senegal and 12 other African countries). On Dec. 31, the dance, theater and choral groups will join forces for an African celebration of New Year's Eve that is known as

Khaware (admission \$11). The winter is also the time for traditional sports that draw huge crowds. In pirogue regattas, teams of fishermen race in their wooden dories. Traditional wrestlers, dressed in loincloths and dozens of protective amulets, square off every Sunday in stadiums and schoo-

A half-hour ferry ride from Dakar takes visitors to the haunting pastel ruins of colonial splendor on Gorée Island. Built by the Dutch in 1776, the House of Slaves, where millions once were held before the journey from West Africa to the New World, is now a museum (admission free; closed Monday). The ferry from the port costs about \$7

built in the neo-Sudanese style, ket, a labyrinth of stalls offering West Africa's most celebrated reminiscent of the Dogon mud are everything from Senegalese music pop stars appear in the nightclubs chitecture of Mali. And today's cassettes to freshly plucked chick- of Dakar but the music doesn't get Senegalese architects have forged a ens. The Marché Kermel (on Place going until after midnight. The cov- New York Times.



Baskets for sale at the Marché Kermel.

Kermel; open mornings only) is more quaint, with a profusion of fruit, flowers and baskets. The Mauritanian Silver Market

(67 Avenue Blaise Diagne) is a hidden courtvard where Mauritanians create and sell intricate silver and ebony jewelry (bracelets start at \$8.80) and boxes (from about \$88). At the Soumbedioune Artisanal Village (Boulevard Martin Luther King Jr. at Soumbedioune Beach) visitors watch craftsmen making items that include leatherwork, woodwork, baskets and jewelry. Toy wooden fishing boats start at \$1.75, stamped leather jewelry boxes start at about \$7.

OR authentic masks and sculpture, musical instruments and trading beads, try the galleries along Rue Mohammed V between Avenue Pompidou and Rue Carnot. The Galerie Antenna (9 Rue Félix-Faure) offers an extensive array of jewelry and art at fixed prices that are high but guarantee authenticity. Bronze boxes from Ghana go for \$16, an amber

and bronze necklace for \$102.

er price usually includes a drink. When the Senegalese superstar Yousson N'Dour is in town, he often plays at the oceanside Kilimanjaro club (at Soumbedioune Beach), where the cover is \$8.80 or higher. Another place for big-name African acts is Sun Set Sahel (cor-ner of Boulevard Gueule Tapée and Avenue Cheikh Anta Diop) with the cover from \$8.80. Local and international jazz

stars can be heard at Keur Samba (13 Rue Jules Ferry), a club with a sophisticated atmosphere, lots of plush, comfortable seating and usually no cover charge.

A delicious and filling meal of

ceeb u jen, the spicy national dish of fish and rice, can be had for just over \$1 in dozens of tiny courtyards throughout the city. Those in search of Senegalese fare in a more refined setting frequent Keur N'Deye (68 Rue Vincens), where the specialties include chicken yassa (marinated in lime and onions) and lamb mafé (a stew in a spicy peanut sauce). A meal for two with bissop, a juice made from hibiscus flowers, is around \$14.

Susan Katz Miller, a writer who lives in Dakar, wrote this for The

Aquavit: Denmark's Eau de Vie

by Rita D. Jacobs

THEN Horatio asks Hamlet if drinking is customary in Den-mark, Hamlet replies: This heavy-headed revel east and west/ Makes us traduc'd and tax'd of other nations:/ They clepe us drunkards . . ."
With these words, the most famous Dane of all bemoans a custom "more honour'd in the breach than the observance."

Overindulgence was a problem in Denmark in the 1600s, but Danes have refined their habits and their tastes. Today, level-headed Danes toast good health and friends with small amounts of the national drink, aquavit (akvavit in Danish). Aquavit is seen as something of an elixir. The perfect milletwarming companion to the omnipresent her-ring and smoked fish of Scandinavian cuisine, it also promises life-prolonging

The way to taste aquavit is at a typical Danish lunch. The table is set with smoked. pickled and marinated herring, sliced hard-boiled eggs, tomatoes, cheese, a pate or two, freshly baked bread and two glasses for each diner, a very small one for aquavit and a larger one for the beer that serves as chaser and thirst quencher.

Glasses of ice-cold aquavit are poured for everyone. Aquavit is most often drunk chilled, though there are those who hold that if you like the taste, you drink it at room temperature; if you just want the effect, you drink it at 0 degrees Centigrade (32 degrees Fahrenheit). When every small glass is filled, a ritual takes place. Each diner lifts a glass, meets the eyes of the others, nods and says skaal (skoal elsewhere in Scandinavia). The heartiest drinkers down the entire contents of the glass: the more timid sip. After drinking, the glasses are kept aloft as everyone meets eyes and nods yet again.

Aquavit and beer is often drunk at the beginning of a meal with a slice of herring or an open-faced sandwich, but there is also a tradition for serving aquavit with coffee on the side, or in coffee as kaffepunch. An inn-keeper outside Copenhagen always explains to her guests the traditional way of mixing aquavit with coffee. First she puts a silver coin in a cup and pours in just enough coffee to cover the coin. Then she adds as much aquavit as is necessary to see the coin again.

No matter when they drink aquavit, Danes say skaal. The toast has its origins with the Vikings, who reputedly missed no opportunity to enjoy an aquavit or schnapps (snaps in Danish). Schnapps originally meant a mouthful, and since aquavit is downed in one gulp, schnapps and aquavit became synonyms. The word skaal, or skoal, refers to the small bowl the Vikings used for

LWAYS armed, these warriors would take few chances relying on the goodwill of others, even during a party. Letting your guard down increased the risk of losing your head, but if you maintained eye contact while lifting your skoal, there was little chance your companion could make a move that you wouldn't notice

The alcohol content of aquavit is 45 per-



A selection of aquavits accompanying a typical buffet.

cent, or 90 proof. Distilled from potatoes and grain, much like vodka, aquavit's distinctive taste comes from the added flavorings. The best-known aquavit is Aalborg Red Taffel Akvavit, produced, as is all of Denmark's aquavit, in Aalborg by the Danske Spritfabrikker (Danish Distilleries), which has been producing the drink since

The predominant taste in Red Taffel is caraway seed. In the 12 other Aalborg varieties, different tastes predominate: Jubilaeums Akvavit is flavored with coriander and dill, Export Akvavit with madeira. Porse Snaps with sweet myrtle gale and Havstryger with lemon, caraway and dill

The Danes are not the only Scandinavians who appreciate and produce aquavit. In Sweden, aquavit is a favorite during the crayfish season in late August when, says Anders Green, who sells restaurant equip-ment in Sweden, "people drink one for each claw and two for the tail. Of course," he adds, "you drink beer in between." The two most popular Swedish aquavits are O.P. Anderson and Skane, which are flavored with

Norway's most famous aquavit, Linie, often said to be the finest, is smoother to the

palate than other varieties, perhaps because of its aging process. The brew is poured into old oak sherry barrels and loaded onto Norwegian ships that are setting sail to cross the Equator (linie means line). Supposedly the rolling action of the ship ages the aquavit in such a way that the end product is smoother and tastier than any other.

VERY bottle of Linie carries on its label the name of the ship on which it was carried and the date it crossed the Equator. Linie is the most expensive of the aquavits, but is considered well worth it.

Whatever the brand, aquavit is rarely drunk without stories being told about its life-sustaining properties. My favorite is about the oldest Dane in history, the good sailor Drackenberg, who lived to be 146 and said that he would never have lived to that age but for the fact that in the last 121 years of his life he had drunk lots of schnapps every day.

Rita D. Jacobs, a writer and a professor of English at Montclair State College in New Jersey, wrote this for The New York Times.

La Palma Continued from page 9

could almost feel the crush of tourism on Tenerife and Gran Canaria, our previous stopping points, recede with the falling tide. For the next week this port city of 18,000, led

by a Communist mayor who is more concerned with land and building preservation than he is with nationalization, would reveal another face. We savored the moments of screnity and charted our excursions around the island. There are few maps as deceiving as a La Palma road map. It might be only 50 kilome-

ters long and 30 kilometers wide, but when you add switchbacks over mountains and the in-and-out, zigzagging curves around shoreline canyons, you need days instead of hours to circle the island. The sun is more prevalent in the south, so

that and the extinct volcano of Teneguia were our first destination.

Some 20 kilometers from Santa Cruz, the road reaches the southern terminus and rounds into Fuencaliente. Today Teneguia is a scorched, eerie pit, as if it were a ghost town with nothing left of it.

Continuing on the road out of Fuencaliente, you drive into the agricultural heartland of La Palma. First stop is El Paso, which sits on a plateau and looks like a cowboy town in a Spanish western. Besides livestock, tobacco and banana farms, and almond trees, there is the only factory in the Canary Islands that produces and processes silk.

F El Paso seems western, then Los Llanos de Aridane, the second largest city on La Palma, has a colonial flavor mixed with a bit of Mediterranean. White-stuccoed villas with palm-filled courtyards make up the center of town. The opulence is a result of the island's banana plantations -- 30 percent of the Canaries' crop comes from La Palma.

In recent years, the tourists, most of them Germans, end up at Puerto Naos. It's the only accessible beach and developers have targeted it for a resort. Two hotels have already been

Our plan for the last hours of light that day were to leave Los Llanos de Aridane and drive north and then return to Santa Cruz via a mountain road that would cross the rim of the Rochos de los Muchachos, hopefully with a nice sunset to view.

Lienaria de Carriera Herrica Herrica de Carriera de Ca So much for well-laid plans. We ended up on the dead-end of a rotted, rocky, dirt road in a grove of almond trees about 2,000 meters

above sea level, a fitting welcome to the north end of La Palma, a rugged and less populated landscape than the southern half.

The focal point of the north is the Caldera di Taburiente National Park. There are two ways to enter the park, or caldera. Both entrances are gateways to various hiking trails. The easiest to reach is La Cumbrecita, just outside El Paso. Stone spires, including the Mirador de los Roques and the Mirador de las Chozes stand like trademarks to the geology to be encountered. From here you can take a short walk to an overlook of the caldera.

Hiking to the park's interior, your mind can't stray too far, as the trail demands attention. The path is a ledge that drops hundreds of meters to the floor. Its attractions include some of the strangest and most colorful of the

700 species of plants on the island, What lies at the end of the trail is a camping ground, which requires a special permit to use, obtained at a forest station in Santa Cruz. From the camping ground there are numerous other hiking trails, including a walk to the La Fondada, a colorful waterfall.

The entrance from Los Llanos de Aridane is much more rugged and should only be attempted in a jeep. A shorter hiking trail leading to the same camping ground — the only one in the park — is a three- to four-hour walk

F you are looking for serious, stremuous, mountain-climbing try the trail that starts near the town of La Esquinta and ascends and circles along the peaks of the caldera and ends outside El Paso. It takes three days and

there are several huts along the way. We returned to Santa Cruz each night from two days of hikes. The sleepy village we left in the morning had erupted with parades and displays. It wasn't quite as turnultuous as the carnival in Santa Cruz on Tenerife, and it was

possible to sleep.

By this point, we had seen so many spectacular sights, we thought the rest of the trip — the north coast — would be anticlimatic. However, we discovered just the opposite. What awaits along the road that ascends to the Roque de los Muchachos, the astronomy center, the west coast and the north coastal road that returns via Garafia, Barlovfento and San Andres y Sauces, makes the southern drive seem pedes-

Approximately 38 kilometers from Santa Cruz is the highest point of the Muchachos, where you have the best view into the caldera,

accessible by a newly paved road. That thoroughfare is the direct result of the more than 150 astronomers from around the world who visit the Astrophysical Observatory. A joint project with four European countries, there are nine telescopes and living quarters for 25 people. The biggest of these telescopes has a 4.2-meter mirror, the third largest in the world.

OURS of the center can be arranged but to see the real action you have to be there at night. And the road near the top is no place to be driving in the dark. The blacktop might be perfect but wind and rain often scatter rocks, some big enough to wipe out the front end of your car.

After driving over a the newly paved road like the one to Muchachos and the observatory, you are by no means ready for the north coast road. It is a winding soggy, unpaved trail through a rain forest, wide enough for only one

After taking in Garafia, where there are scinating caves with prehistoric paintings on the walls, we expected to arrive in Santa Cruz in an hour. What we found in the next hour and a half was bewildering. There are numerous unmapped and unmarked turnoffs that left us with the feeling that we were lost in a jungle after dark. When the road entered a tunnel, unmarked on the map, where water dripped from the unfinished walls and support beams dangled, the anguish heightened.

But what we found at the end was an unexpected paradise. The Hotel La Palma Romantica, opened less than a year ago, was complete with the only sauna, jacuzzi, indoor pool and perhaps one of maybe 10 tennis courts on the island. Built by German and Spanish owners, it includes a restaurant, bar, rooms and view.

The one problem is the weather, since it is in the north where the clouds are common in winter. The next morning high winds had closed the airport and canceled all flights. Waiting out the breeze, we were informed that these shutdowns aren't all that infrequent. Last spring the sea and wind were so turbulent that no one could come or go for three weeks. Stranded on La Palma for three weeks. Who should be so lucky?

Joe Kirwin is a journalist who lives in Stock-

lOugh clients

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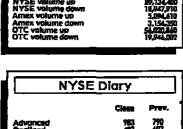
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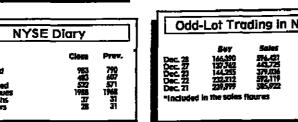
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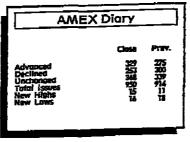
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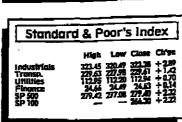


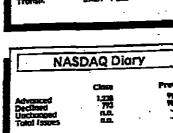
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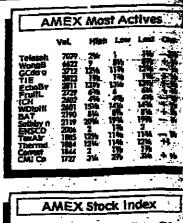






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NYSE Higher in Light Trading

NEW YORK - Prices closed sharply higher Thursday in light trading on the New York Stock Exchange as year-end institutional buying drove the Dow Jones industrial average to just below its high point since the October 1987

The Dow average, which rose 3.75 points Wednesday, jumped 16.25 to close at 2,182.68,

just under its post-crash closing high of 2,183.50, set Oct. 21 of this year. Advances led declines by a 2-1 ratio. Big Board volume totaled 131.29 million shares, up

from 110.63 million traded Wednesday. Broader market indexes also advanced. The New York Stock Exchange index rose 1.09 to close at 156.90. Standard & Poor's 500-stock index rose 2.32 to 279.40. The price of an

average share gained 22 cents. Analysts attributed the rise largely to program trading by institutions, as money manag ers made year-end adjustments to their portfo-

"This time of year some money goes into the market to clean up the sheets," said Tom Gallagher, managing director in charge of capital commitment at Oppenheimer & Co. "People are looking to have their portfolios show good prices at the end of the year."

To do this, he said, buyers were shopping mostly for high-quality stocks — those that outperform other issues on a yearly basis. There were buyers for some relatively inexpensive stocks as well, he said.

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1814 2214 3916 13 221/2 1114 161/2 Gail Dudack, a market analyst with S.G. Warburg & Co., predicted the Dow would sur-pass its post-crash closing high within the next

We have spent a couple of weeks just below that level, and the market has backed off many times," she said. "But I think it's about ready to

Navistar International issue, up ¼ to 5¼.

Quantum Chemical followed, up 1/4 to 1071/4 after surging 18 points Wednesday on news that the company plans to pay a special \$50-a-share dividend

PepsiCo was third, up % to 39%. AT&T rose % to 29%. IBM rose % to 123%. Among other blue chips, USX rose 1/2 to 29% nerican Express rose ¼ to 27¼, General Moors ended unchanged at 84% and General Electric rose % to 45%.

In the chemical sector, Vista Chemical rose 1½ to 50½ and Georgia Gulf rose 1½ to 77.

Prices closed higher in moderate trading on the American Stock Exchange. The American Stock Exchange index rose

1.55 to 303.69. The price of an average share added 6 cents. Advances led declines by a 4-3 ratio as volume rose to 12.66 million shares from 9.73 million on Wednesday.

Telesphere International led the Amex issues off 11/2 to 11/2 on news that the company would

take a substantial loss for the fourth quarter.
The National Association of Securities Dealers composite index rose 2.29 to close at 379.05.

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Via The Associated Press Dow Jones Averages

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FRIDAY, DECEMBER 30, 1988

PRO MONITOR FROM PHILIPS

The clear advantage

Herald Eribune. BUSINESS/FINANCE



WALL STREET WATCH

Some Investors Treasure What Others Call Junk

By LAWRENCE J. DEMARIA

EW YORK — Lured by yields of 14 percent to 16 percent, many investors are buying junk bonds — the speculative debt used, for example, to help finance some huge leveraged buyouts. Investors can buy junk bonds directly from brokers or through pooled investments, such as investment trusts, mutual funds and closed-end investment

companies.
Closed-end companies offer shares of publicly traded stock. Such stocks are probably the easiest way for small investors to participate in the junk-bond market, with most shares selling in the \$8 to \$10 range.

Management

jufk-bond funds are of recent vintage. Many were brought out by underwriters after Octoper 1987. Jim Grant, pub-lisher of Grant's Interest Rate Offserver, said he would leave it to future historians to explain why so many junk-bond

Managers can borrow money to bolster fund yields, effectively leveraging their leverage.

funds "waited to get started mitil the greatest stock market crash of the 20th century." The substantial risk of investment in junk bonds, particularly in times of economic uncertainty, often is disregarded by small investors. But it is not hard to see the attractions: The bonds offer a dividend yield four to eight percentage points higher than the average utility stock. Junk-bond investment companies also typically pay monthly dividends and may have year-end capital gains

The investment-company portfolios are constantly changing, and the managers may issue preferred stock or borrow heavily to augment the initial stakes generated by the original public offer-

The rating on the fund's debt or preferred stock is higher than the junk bonds they invest in," said Thomas J. Herzfeld, whose Miami-based investment firm tracks closed-end funds. "Therefore, the cost to leverage the fund is lower than the yield being received on the junk bonds they invest in."

By borrowing money at 10 percent and buying junk bonds at 14 percent, the managers can bolster the yields. They are, in effect, leveraging their leverage. Some funds also borrow on a short-term basis, at adjustable rates.

R. HERZFELD said a severe economic downturn could crush a highly leveraged junk-bond fund. He offered this scenario: A fund has a \$150 million junk-bond portfolio, purchased with \$100 million from the original stock offering and \$50 million in borrowed money. A recession or depression bankrupts half the investments. The portfolio is now worth \$75 million. But shareholder equity is really only \$25 million. The net asset value of each share would decline by 75 percent, even

though the market value fell by only 50 percent.

Mr. Herzfeld was not suggesting that this would happen, although he said he expected stock prices of junk-bond funds to sink further, especially if yields on more respectable securities rise. "Our basic strategy is to sell them short, and it has worked out very well for us," he said. "If there is a catastrophe, we're going to make a lot of money. If there isn't, we'll make a nice

Some market experts said predictions of mass defaults are themselves faulty. In a recent report, First Boston Corp., for example, argued, "U.S. companies are less leveraged today than were their major foreign counterparts during the last two recessions, and the high leverage in those countries did not end in

Mr. Herzfeld noted that junk-bond funds had done surprisingly well so far. The average junk-bond fund came to market at \$10 See JUNK, Page 17

Challenge In Thrift **Bailout**

Bush Said to Seek Alternative to Tax

Compiled by Our Staff From Daparches
WASHINGTON — M. Danny
Wall, the chief regulator of the U.S.
savings and industry, said Thursday that President-elect George Bush would face a challenge in bailing out ailing thrifts without breaking his promise not to raise

But Mr. Wall, chairman of the Federal Home Loan Bank Board, said on television that advisers to Mr. Bush were looking for alterna-tives to a tax increase. He indicated that Mr. Bush would present a bai-

lout plan early next year.

There clearly will be a challenge in terms of the fiscal aspects of it,"

Mr. Wall replied when asked whether it would be difficult for Mr. Bush to keep his pledge of no tax increases. "I believe and I perceive that the focus is on what afternatives are there, if any," he said. Mr. Wall said Mr. Bush "will put something on the table" soon after

his inauguration, Jan. 20. The Treasury and others have estimated a thrift cleanup would cost \$50 billion to \$100 billion.

On Wednesday, the bank board announced two huge transactions to salvage the largest insolvent savings institution and five Texas thrifts. The deals will cost the government almost \$7 billion.

In one of the costliest deals to date, the board said it would inject \$5.1 billion in federal aid into five bankrupt Texas thrifts with combined assets of \$12.2 billion, in return for a \$315 million investment by a group led by Ronald O. Perelman, the chairman of Revion Inc.

Also Wednesday, after months of talks, the board closed a deal to sell American Savings & Loan Associa-tion of Stockton, California, with \$30.1 billion in assets, to a group led by Robert M. Bass, the Texas financier. The group is to put up \$500 million over three years in return for \$1.7 billion in government aid. American Savings is costing the

government 5.7 cents per \$1 of assets, while the Texas deal is 41.8 cents. Mr. Wall said the difference reflected more diversification at American and a weaker depositor base in Texas. (Reuters, NYT)

The Group Behind the Rescue of Texas Thrifts For Perelman, **Another Major**

Takeover Stride By Paul Richter

Les Angeles Times Service NEW YORK -- Ronald O. Perelman made his first \$1 billion proving that he loves taking on troubled companies, particularly in industries about which he would seem to know nothing.

In 1983, he bought and began to resurrect Technicolor Holdings Inc., the California-based

film and video company that had lost its way. Two years later, he acquired and started rebuilding Revion Group, the cosmetics business that was in dire need of a

Then on Wednesday, an invest-ment group led by Mr. Perelman said it would put up \$315 million to buy five insolvent savings and loan institutions in Texas, with the help of a \$5.1 billion in gov-

ernment money.
"It all fits into a pattern," said
Andrew Shore, an analyst with Shearson Lehman Hutton Inc. "Rarely does he go after a busi-ness that isn't in crisis. He seems to need a challenge.'

Mr. Perelman has erected an empire worth nearly \$5 billion over the past decade. Built with his wits and liberal use of junkbond financing, Mr. Perelman's holdings include not only the cosmetics giant but also a drug-testing company, a licorice maker and a cigar manufacturer.

His personal fortune is worth an estimated \$1 billion, according to Forbes magazine.
And as Wednesday's an-

nouncement suggested, Mr. Perelman wants to keep on building. He first made his name as a corporate takeover artist in fights for Revion, Gillette Co., the shaving-products company, and others. Many observers believe that he is one of the most dangerous raiders on the scene.

But as he has acknowledged publicly, he wants to be known instead as a builder - as a corporate manager who improves and expands companies that come under his control. Some have already been persuaded by his success in turning around Revion and Technicolor. In September, Mr. Perelman sold the company to Carlton Communications



Ronald O. Perelman has built a \$5 billion empire in 10 years.

"The jury is still out on his managerial abilities," Mr. Shore said. "But he has shown some results, and that's clearly what he wants to be known for.

Mr. Perelman may have inherited his taste for takeovers.
Until the age of 35, he worked at his father's small Philadelphia company, Belmont Industries. As an apprentice in the business, he bought or sold several companies, including a galvanizing business, a shoe manufacturer and a small,

struggling bank. Ten years ago he struck out on his own, making a \$2 million investment in a jewelry distributor. One of his first major acquisi-tions was of Technicolor for \$125 million. He sold off its consumer photoprocessing business, including a chain of one-hour processing labs, but kept the commercial processing operations, which now are ranked No. 1 in

the film and cassette industries.

The company eventually was sold

"He's always been willing to See INVESTOR, Page 15

But Mr. Perelman's emergence

on the big-time takeover scene came with his siege of Revion.

The company, highly profit-able during the days of founder

Charles Revson, was struggling

by 1985 under the leadership of

Michel C. Bergerac, Mr. Bergerac

was using earnings from Revion's

core cosmetics business to sustain

the growth of its new health-care

could find new value in the cos-

metics business, and made five

bids for control. To defend itself,

a management team proposed a

restructuring designed to sharply

increase the value of shares.

During the struggle, according to an adviser, Mr. Perelman said,

the table, we'll top it by 25 cents."

Ultimately he did win, with a \$3

Mr. Perelman believed that he



Gerald J. Ford

Texan to Bring Long Experience In Aiding Banks

New York Times Service DALLAS - Gerald J. Ford, a Texas banking entrepreneur who has managed to make money amid the state's financial woes, will become chairman and chief executive of the five Texas thrifts, which are to reopen as First Texas Bank, and will make a significant investment in the deal. Mr. Ford has little experience

in savings management, but he is versed in bank turnarounds. While other Texas bankers

were caught up in the heady expectations generated by the oil and real estate markets of the late 1970s and early 1980s, Mr. Ford was buying unprofitable institu-tions in West Texas.

About three-quarters of the 23 banks included in the Ford Bank Group of Dallas "had problems" at the time of their purchase, but all are now profitable, he said in an interview. "It wasn't vision," said Mr.

Ford, 44, referring to the conservative lending practices that spared his bank group from the fallout of the collapse in oil prices. We just did what we knew how to do. We never force We'll win the company, because no matter what bid they put on growth.

Eager to expand his holdings, which include the United New Mexico Financial Corp., Mr. Ford has put together several investment groups that have tried and failed to acquire large Texas banks with federal assistance.

Statoil **Chief May** Resign Oslo Policies Said To Rankle Board

OSLO - The chairman of Statoil, Norway's state oil company, said Thursday that he may resign next spring and the board report-edly has expressed unhappiness with government interference in

Jan Erik Langangen told the Norwegian news agency NTB that both he and the vice chairman, Arnfinn Hofstad, were considering leaving the firm.

They have held their positions since Statoil's board and managing director were forced to resign in 1987 because of a scandal involving major cost overruns and allegations

Sources at Statoil said Thursday that the board had written a letter to the oil minister, Arne Oeien, complaining about the govern-ment's attitude toward the compa-

The sources said there was a general feeling among board members that Mr. Oeien had not allowed them to take proper responsibility for running the company, which is the largest in Norway and the backbone of its North Sea oil industry.

"There is a feeling that the government expects it to be run as efficiently as any other company," but the board was "not being given the room to do so," a source said.

The sources said the board sent the letter to Mr. Oeien on Dec. 22 but no reply had been received. No other members of the board were considering resignation, Mr.

Langangen said. He also is managing director of Storebrand A/S, Norway's biggest insurer, while Mr. Hofstad heads Norske Skog A/S, the country's main wood and pulp producer.

Statoil came under heavy criticism when it said in November 1987 that the construction of the Mongstad refinery in western Nor-way had run 5 billion kroner (\$758 million) over budget. This led to a major political scandal and brought the resignation of the

See NORWAY, Page 17

Currency Kates

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Heud office: 96-98 rue du Rbône, Geneva, tel. 022/37 21 11 or 32 65 80. Branch offices: in Zurich, Babnhofstrasse 20. tel. 01/219 61 11; in Lugano, Via F. Soave 1, tel. 091/202882; in London, 24 Grafton St., tel. (1) 4912211; in Nassau, Beaumont House, Bay Street.

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Thursdays

616 - 616 + 16 - 6 **U.S. Food Importers Angry About Tariffs** On Products From EC

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New York Times Service

New York Times Service

NEW YORK — Specialty food shops and food importing companies have reacted with concern and anger to the prospect that they would be casualties in a trade war between the United States and the European Community.

The United States said on Tuesday that it would impose a 100 percent tariff on \$100 million-worth of selected food products from Europe in retaliation for the community's ban on meat from animals treated with encount bor-

on meat from animals treated with growth hormones. Much of Europe's supply of such meat has come from the United States.

On Wednesday, the European Community countered by saying that it would impose 100 percent import duties on about \$100 millionworth of U.S. honey, canned corn, dried fruit and wellouts.

double the wholesale cost of dozens of imported foods, including hams, instant coffees, low-alcohol wines, fruit juices, certain types of beef and pet food.

and pet food.

Because the list of foods affected by the tariffs was released only five days before the sanctions take effect, food importers were left with little time to build up their inventories.

"It's extremely unfortunate from our point of view," said Eugene Milosh, executive director of the American Association of Exporters and Importers, a leading trade group. "It puts people out of business."

ple out of business. "Our position is the hormone issue should be settled on its merits, and not spill over onto

The European Community contends that the hormones given to livestock to stimulate their growth can harm people who eat the meat. The United States contends that such assertions have never been scientifically verified.

"They talk about tariffs, but we consider the meat of the consider and the content of the content

them an outright ban," said Eugenio Pozzolini, who heads Dean & Deluca Imports in New York, which is a wholesale supplier of high-priced imported foods and also has a retail

"It doubles our prices, and the consumer won't pay," he said. "It could severely affect some part of the business."

Mr. Pozzolini said that sun-dried tomatoes, for example, make up \$2 million of the company's \$8 million in animal sales. The market for the tomatoes, he said, would be essentially griend out by the traiff increase.

wiped out by the tariff increase.

Other food and beverage importers said they were trying to determine whether the products they handled fell within the tariff, and if so, how

best to respond. Some of them said their greatest worry lay in EC countermeasures.

"We are concerned about the possibility of escalation," said David Genearelli, a lobbyist with the National Association of Beverage Importers, a trade group based in Washington.

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Special . Patriates

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co-visional Share Co **Dow Jones Buys** Into Thai Firm BANGKOK — Dow Jones & Co. said Thursday it has bought a minority interest in Nation Publishing group of Thailand and is considering printing The Asian Wall Street Journal in Bangkok.

Dow Jones said it had bought 3 percent of Nation Publishing's 100 million baht (\$3.95 million) share capital at an undisclosed price, and with the consent of the Thai group's major shareholders it may buy up to another 5 percent in future.

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Dividends

Brazilian Group

In Peugeot Deal

Agence France-Presse

RIO DE JANEIRO — Peugeot
SA, the French auto group, has
signed a contract with Monteiro
Aranha Group that allows the Bra-

zilian company to sell Pengeot cars,

engines and spares made in Argentina throughout Brazil, Monteiro Aranha announced Thursday.

In the first half of next year, 1,500 Pengeot 505 sedans will be imported, a Monteiro official said.

Later the government is a service of the content of

Later, the government is expected to authorize Peugeot to manufac-

ture in Brazil

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Nation Publishing owns and publishes The Nation, one of Thinland's two English language daily newspapers, and several That and English business publications. The Asian Wall Street Journal is now rejusted in Boar Your Taken and printed in Hong Kong Tokyo and

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Peugeot dealerships will initially be set up in São Paulo, Rio de Janeiro, Belo Horizonte and Porto Alegre. In 1990, dealers will be added in Description Colorador and Porto Alegre. added in Brasilia, Salvador and Re-

was likely that the bidder is Pear-son PLC, the British publishing 77 Creat Int. 17,166 UB 276 18M DOLLAR (18MM) 18 FRANC (18MM) 18 FRANC (18MM) 18 FRANC (18MM) 18 FRANC (18MM) Collins said it had been offered 880 pence (\$15.75) in cash for each ordinary share and 735 pence per A nonvoting share, also in cash with a loan note alternative. This values the company at about £400 million. :H FRANC (IAMA) :H FRA 97 CHERO INT 59 387 MARK (IMMA) 978 - 1 point equals \$5.00| 579 Mar 5640 5441 547 549 5791 See 5477 549 549 549 5705 Chec 5672 5743 577 589

flagship company of Mr. Mur-doch's interests that owns 41,7 percent of Collins's ordinary shares and about 10 percent of the A shares, has offered 640 pence for Prev Soles 19,70 67 Open Int. 28,112 up 2352 69 Open III. 26.112 up 2.125

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Mystery Bidder Tops Murdoch Offer for Collins

major publishers, including, in ad-LONDON - Williams Collins dition to Pearson, Reed Interna-"LC, the publishing group, said Thursday that an unidentified bidtional PLC, Bertelsmann AG of West Germany and France's Ha-chette or Presse de la Cité. der had made an offer for it that is more than 30 percent above the current unwelcome bid from Rupert Murdoch, the media business-

The analyst predicting Pearson as the likely candidate noted that Harper & Row, the Collins-News International joint venture, "fits very well with Pearson's Addison-Wesley subsidiary, while Harper & Row's hardback division would fit nicely with Pearson's Pennin onnicely with Pearson's Penguin op-

Compiled by Our Staff From Dispatches

SYDNEY — The British insur-

ance giant, Prudential Corp., has acquired the Australian and New

Zealand insurance businesses of U.S.-based Aetna Life & Casualty Ltd., a Prudential official said

Collins said the potential bidder and that is why it would be recomwanted to discuss the merits of the offers with News International, particularly in view of its joint ownership with Collins Harper &

last week, Collins's independent di-rectors intended to recommend the offer, it said. ment was made to Britain's Take-Analyst Terry Connor of the over Panel. It remains to be seen brokerage James Capel & Co. said the 880 pence offer, if it material-

competing offer and intends to keep its 41.7 percent stake in Col-After talks with the rival bidder lins could complicate matters. The News International statewhether the panel would deem this pledge binding, Mr. Connor said.

News International's statement last

week that it would not accept a

ized, was much more reasonable Prudential Buys Aetna Australian Interests

Foreign Investment Review Board. Prudential's managing director for Australia and New Zealand, Barrie Martin, said the combined group after the acquisition would represent the sixth largest life office in Australia in terms of assets un-der management and the fifth largest in current annual premium in-

The purchase, which Prudential later confirmed cost it 98.5 million He said Prudential already had more than 2,2 billion Australian Australian dollars (\$84 million), is dollars in assets under manage-

under management in Australia. Prudential is the biggest life inest in Europe, with total assets un der management of about \$60

On the London Stock Exchange, Prudential shares advanced 3.5 peace to close at 154.5 peace after

Brierley's Nibble at French Stores Suggests European Foray

PARIS - The acquisition by Sir Ronald Brierley, the New Zealand businessman, of stakes in three French department stores is his first step into Continental Europe and could be followed by further purchases, a

Brierley representative said Thursday.

"We may buy more," said Stuart Mitchell,
managing director of Sir Ronald's investment
arm IEP Consultants U.K. "It depends on

the price."
Industrial Equity Pacific Ltd., 69 percentcontrolled by Brierley Investments Ltd.,
bought stakes of 5 percent in Bazar de l'Hôtel de Ville, or BHV, and SA des Galeries Lafayette. The move came one month after Industrial Equity took 5 percent of the regional department-store group, Nouvelles Galeries.

Retail sector analysts in Paris estimated that the three stakes represented a total investment of about 265 million French francs (\$43 million). Mr. Mitchell said the stakes were bought on the stock market but declined to say whether any talks had been held with

the present controlling shareholders.

He said Industrial Equity had identified the three groups as investment targets be-cause of their strong asset backing. This is the first phase of our Continental investment strategy," he said. "We are looking for under-valued companies in any sector." Industrial Equity had also acquired undis-

closed stakes in Dutch and West German companies, Mr. Mitchell said. He described Industrial Equity as a "traditionalist" investor that based investment de-

cisions on solid assets rather than good will. City department stores in France recently have performed poorly compared with the more dynamic hypermarket sector. "Stores like Galeries Lafayette and BHV have seen growth well below other retail sectors," said Annick Thevenon, retail analyst with the Par-

is brokerage Lavandevra. One senior dealer said the Brierley stakes together with moves in the supermarket and food-distribution sectors, signaled that 1989 could be an active year for retailers.

The Brittany-based hypermarket group, Rallye SA, is involved in a takeover bid for the southwestern French food distribution chain Ruche Méridionale that values it at 974 million francs.

But a senior share dealer said that many operators were wary of buying heavily into stores because of concern that 1988 profits would fall below expectations. The sector was hit by a Paris public transport strike two months before Christmas.

posted group pretax profit of 10.22 million francs on sales of 6.93 billion francs. BHV reported group pretax profit of 25.2 million

Analysis confirmed Industrial Equity's estimate of the department stores' asset bases, since BHV and Galeries Lafayette, along with other rivals such as Au Printemps SA, all

boast considerable property assets. Analysts also noted that the groups' capital was relatively closely held. Galeries La-fayette, with equity capital of 1.17 million shares, is 62 percent owned by the six or seven descendants of the founding families.

Nouvelles Galeries, with capital of 4.7 mil-lion shares, is 32 percent owned by the found-ing Devanlay family and 21 percent by the Monoprix supermarket chain. And BHV, with 1.79 million shares, is 48.2 percent held by Nouvelles Galeries and 14 percent by the

founding Boulot family.

Officials at the department stores were unavailable for comment.

Stocks of the store groups rose Thursday on the Bourse. Galeries Lafayette was last quoted 14 francs up at 1,263 while BHV was 5.90 firmer at 491 and Nouvelles Galeries was

INVESTOR: Perelman's Stride

(Continued from first finance page)

A London-based analyst said it

News International PLC, the

spend what it takes," said the adriser, who declined to be identified. Next was his fight for Gillette, which began in November 1986 and lasted through the following August. Mr. Perelman made a \$4.1 billion offer for the company, but was thwarted, said an adviser, when the management of Gillette threatened to put a 20-percent block of stock in the hands of a

friendly third party.

Mr. Perelman sold his shares to the company for \$43 million. In his view, the sale of the block was forced by management's threat, which would have made a takeover highly unlikely and sent the stock into a downward spiral, according to the adviser.

The investment firm Drexel Burnham Lambert has played a considerable role in his success.

Drexel's junk bonds - a speculative form of debt used to finance major purchases - helped pay for the acquisition of Revion. They were used earlier in Mr. Perelman's leveraged buyout of the Pantry Pride supermarket chain, and of MacAndrews & Forbes, which is now a holding company for various Perelman enterprises.

Perhaps Mr. Perelman's proud-

est success has been the turnaround at Revion. The company has gained back market share in many areas, launched new products and advertising campaigns, and strengthened itself with several important acquisitions. Among them are the Max Factor and Charles of

the Ritz cosmetic operations.

The company's sales are expect-

from \$1 billion in 1985, Executives at Revion have predicted that the firm's operating profit would ex-ceed \$225 million by 1990, from \$80 million in 1985.

■ Behind the Texas Deal Robert J. Cole of The New York Times reported from New York:

The day before Thanksgiving, Michael L. Tarnapol, an invest-ment banker with Bear, Stearns & Co., called Howard Gittis, a vice chairman of Revion and associate of Mr. Perelman. He said he knew of a deal involving several Texas thrifts and thought Mr. Perelman might be interested.

Mr. Gittis expressed immediate interest and turned loose 30 of Revlon's financial experts to study the deal. As the study group saw it, an approaching turnaround in Texas real estate plus the prospects for deposit-gathering represented enormous earnings potential."

Working with Ward W. Woods Jr. of Lazard Frères & Co., Bear, Stearns united Mr. Perelman and an investor group headed by bank-ers with an established track record in turnaround situations: Robert C. Utley, president and chief executive of the Seamen's Corp., which owns Seamen's Bank for Savings of New York, and Gerald J. Ford, head of the Ford Bank Group of

An executive close to Mr. Perelman also said that the Blackstone Group, headed by Peter G. Peterson, a former Commerce secretary, acted as adviser to the Federal Savings and Loan Insurance Corp. and ed to reach \$2.5 billion this year, "ran a very professional analysis."

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At present, shares in THE BRAZIL FUND S.A. are lastly represented by Bearer Depositary Receipts and Provisional Share Certificates, issued by European Overseas issuing Corporation S.A. Consequent upon a change of depositary to NMB Depositary Company B.V., a subsidiary of NMB Bank, it has been decided to issue new Bearer Depositary Receipts in exchange for the existing Bearer Depositary Receipts and Provisional Share Certificates.

BDR holders should lodge their existing documents of title as from January 23, 1989 with NMB Depositary Company B.V. in Amsterdam, the Netherlands, which documents, in denominations of 1,000 and 10,000 Depositary Shares, will then be exchanged free of charge and proportionally for new Bearer Depositary Receipts in the new denominations of 1, 10, 100, 1,000, 5,000 and 10,000 Depositary

The existing documents of title will continue to be good delivery against bargains should the BDR holder for any reason not exchange them for new Bearer Depositary

The Terms and Conditions as well as the Deposit Agreement will be filed with the Depositary and will be open for inspection by any BDR holder at the Depositary's office

Amsterdam, December 30, 1988.

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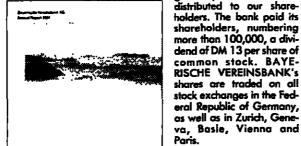
FROM INTERNATIONAL INVESTOR XII

Herald Tribune.

The latest information from the distinguished companies listed in this section is available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page and return it to us before January 7, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

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eral Republic of Germany, as well as in Zurich, Geneva, Basle, Vienna and

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(in FF million)

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BASE

Following its solid earnings in 1987, BASF is again turning in a strong performance in 1988. Figures for the first three quarters show Group sales up by 7.8% and pre-tax profits up by 22.7% over the comparable period of the previous year. Pre-tax profits reached DM 2.6 billion on sales of some DM 32.5 billion with especially strong demand in the chemicals, plastics, dyestuffs, and finishing products sectors. Capital investments increased by 31.9%.

For the parent company, BASF Aktiengesellschaft, sales rose 11.8% to DM 15.5 billion, and pretax profits were boosted by 48.6% to DM 1.9 billion.

Looking beyond 1988, BASF is well-positioned as one of the world's blue-chip chemical companies. BASF Aktiengesellschaft, D-6700 Ludwigshafen, West Germany.

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COMPANIE DU MIDI is the holding company of a diversified group, mainly operating in: insurance with Axa-Midi Assurances, banking and financial services, property holdings, industry and trade.

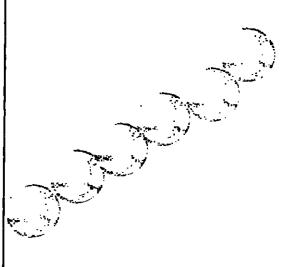


- Total revenues: 44,500 (*) (FF 000,000) Shareholders' interests: 2,200 (*) (FF 000,000) (FF per adjusted share) Shareholder current income: 80,74

Shareholder non current income: 28,90 Midi group's chairman: M. Bernard PAGEZY.

(*) Non audited, after shareholders' meeting of June 22nd, including minority shareholders and associated mutual insurance companies in "other interests".

DOLLARS AND SENSE





Interim report January-August 1988 Saab-Scania's sales and income

increased during the year

SUMMARY OF INTERIM REPORT FOR JANUARY—AUGUST 1988

Consolidated sales SEK 27,620 m. (25,829)
Consolidated income SEK 1,964 m. (1,906)
Pre-tax return on capital employed 23.4
per cent (23.2)
Income per share, after 50 per cent taxes,
SEK 27.10 (22,70)
Sale of Saab-Scania Enertech

EXTRACT FROM THE

COMMENT BY PRESIDENT GEORG KARNSUND "The Scania Division is on its way to another record-breaking year. During the autumn, the Saab Car Division will begin sales of the Saab 9000 CD sedan in several major markets, while the Saab Aircraft Division is enjoying success in sales of the Saab 340 regional commuter aircraft. The divestment of Enertech is an industrially motivated decision, which also means that Saab-Scania is further aircraft. is further concentrating its activities to the field of transport."

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CURRENCY MARKETS

DOLLAR: Hints of Intervention by Bundesbank Cap Year-End Advance

(Continued from Page 1)

telephone interview that the Bundesbank was not considering heavy, unilateral intervention for the time being. But he warned that the current level of the dollar "is not really helpful for supporting the adjustment process" in world

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"The dollar is strong against all other currencies at the moment," he said. "Any single intervention would not be very effective under these conditions

The strength of the dollar is mainly a consequence of the inparease in interest rates in the United States, and it's important that the U.S. is taking care of its own currency through a stringent monetary policy.

The federal funds rate remained high at 9.625 percent in New York on Thursday, while a sharp fall in short-term bill rates was ascribed to technical factors rather than

changing views on interest rates. Many market economists still expect the Federal Reserve to raise its **London Dollar Rates** 1,7875 1,796 125,93 1,5140 6,1838

6.5 percent discount rate in the first quarter of 1989, which would cause another spurt in short-term rates.

Mr. Schlesinger emphasized that
the entire Bundesbank supports the Fed's effort to tighten U.S. policy. "We are in no way in conflict with the United States," he said.

But, he cautioned, "From our immediate, German point of view -when you look at the size of our current account surplus - we think that a strong Deutsche mark will be helpful if the adjustment process is

Mr. Schlesinger, the long-serving deputy to the Bundesbank's presi-dent, Karl Otto Pohl, and a strong anti-inflationary voice, was referring to a series of accords among

the Group of Seven leading indus- said Thursday that the Bundesbank the large of Bonn and Tokyo. While declining to say specifical-

While declining to say specifical-ly whether the Bundesbank was un-comfortable with the current level

Mr. Schlesinger played down speculation that the Bundesbank of the dollar against the Deutsche mark, which hit a peak of 1.92 DM in August, Mr. Schlesinger's em-phasis on the immediate German viewpoint appeared to indicate that excessive appreciation of the dollar retorted. resulting from a tightening of U.S.

Mr. Schlesinger said that the Bundesbank had not been intervening in the open market, but rather has been selling modest amounts of dollars which have been recycled into West Germany as revenue from the central bank's

Currency traders in Frankfurt

As a result, Mr. Langangen announced last spring that the company would undergo a major reorganization with the aim of

ment's handling of a planned petrochemical venture had particularly upset the board.

Last year, Statoil announced plans to invest 1.38 billion kroner in a petrochemical complex in Antwerp, Belgium, with Himont USA Inc., which is 80 percent owned by Montedison SpA of Italy. Himont is the world's largest producer of polypropylene, the raw material for

"The deal was postponed twice." board and managing director, Arve the source said, "because Ocien asked the board to reconsider the economics involved."

Ocien has said that it is so impor-

Earlier this month, the minority Labor government produced a report on Statoil's activities suggesting that private investors might be allowed to take a stake in the company's refining and marketing ac-

my has been considerably weak-ened over the last couple of years."

trialized nations to reduce gross had sold a modest \$13.1 million as trade imbalances, particularly the persistently wide U.S. deficit and DM, after 1.7893 DM on Wednesday, when the central bank sold

was perhaps most concerned that a further appreciation of the dollar against the mark would stoke West German inflation through an increase in import costs. "Imports the central bank was prepared to denominated in dollars are only use its financial clout to contain an one part of our import bill," he

Many analysts and economists, however, believe that Bundesbank anti-inflation hawks, led by Mr. Schlesinger, are increasingly worried about the effect on inflation of a soft Deutsche mark and are seeking to sway central bank policy back to a tight course.

David Bowers, European econo overseas holdings, among other mist with Barclays de Zoete Wedd, sources. "There's been no real de- the London brokerage, said, "The cline of our foreign reserves," he last thing the Germans want is a weak Deutsche mark. There is growing concern that inflationary pressures are developing, despite the current low inflation rate of 1.6 He said there was a sense among

Bundesbank hawks that they have compromised monetary policy a little too much over the past three years in their attempt to help the world trade adjustment process.

Now, there's a growing feeling that it's time to restore credibility to the bank's reputation for monetary prudence," he said.

Mr. Bowers said that he expected the dollar to adhere to a broad range of 1.70 to 1.90 DM, at least until the next Group of Seven finance ministers' meeting, expected in February.

Against other major currencies, the dollar inched up to 1.5140 Swiss francs at the New York close from 1.5135 on Wednesday, but it lost ground to the British pound, which rose to \$1.7906 from \$1.7900. The dollar also slipped to 6.0965 French francs from 6.1145.

U.S. Treasury Studies Tax Rules to Curb LBOs

By Paul Blustein

Washington Post Service
WASHINGTON - The U.S. Treasury Department, eager to curb corporate leveraged buyouts, is considering changing tax regula-tions to limit the interest payments companies can deduct, according to Treasury officials.

Some officials think such a unilateral regulatory move may be preferable to sending tax legislation to Capitol Hill, where it might be difficult for the incoming Bush administration to prevent more sweeping actions against LBOs and corporate takeovers by the Democrat-controlled Congress.

Under the plan being examined, the Internal evenue Service would issue rules declaring that if a company's level of borrowings exceeds its stockholders' equity by a certain amount, a portion of the company's debt would be deemed to be equity, and the interest on that debt incligible for tax deduction.

Such a ruling would discourage LBOs, in which companies are purchased with mostly borrowed money, by limiting the tax advan-

tages of piling up huge quantities of debt.

There is no question that Treasury has the authority to issue those regulations," a Treasury official said. "This is an idea that has been developed, but it is an option that there isn't any decision on, and there are pros and cons to

was attributed partly to Wall Street's adverse reaction to congressional efforts to limit corpo-rate takeovers and LBOs.

Treasury officials, and congressional leaders as well, are considering a number of measures aimed at slowing the spread of takeover-financ-

Besides limits on the amount of interest that can be deducted, there are also proposals to allow companies that pay dividends to deduct a portion of those payments from their income, which would make it more attractive for some companies to raise money from equity investors than to borrow it from banks or bondholders.

Treasury officials are divided over whether -and how - to use the tax system to discour-

Some officials say the issue offers a welcome opportunity for a national debate on how to make the tax code more favorable to equity investments. But others are fearful that submitung a tax bill to Congress could lead in direc-tions the Bush administration would not like in particular, a tax increase masquerading as an

That is why a change in IRS regulations appeals to some officials. By reducing the attractiveness of LBOs, the proposal would achieve a goal of Treasury Secretary Nicholas

Among the Treasury's concerns is the fact that the October 1987 stock market collapse according to another department source. Yet it would also allow the Treasury to act on its own, without opening the Pandora's box

involved in legislation. The LBO issue is one of several being studied by M. Peter McPherson, deputy Treasury Sec-retary, who has been asked by Mr. Brady to look at ways to make U.S. businesses less oriented toward short-term profits and more to-

ward long-term gains. The study also involves the rules concerning executive compensation and pension fund in-vestments, to determine whether those rules might be changed to encourage long-range thinking by executives and pension fund man-

Emil Sunley, director of tax analysis at the accounting firm Deloitte Haskins & Sells, said the proposal to change tax rules would encounter several objections. For example, he said, a limit on interest deductions for U.S. companies would give a boost to foreign buyers of Ameri-

"If a U.S. company buys another company, or decides to leverage up to buy its own stock, you would penalize them" under the plan, Mr. Sunley said. "But if a Japanese company borrows the money at home" to finance a takeover of a U.S. company, "the interest would be fully

Iran in Oil Deal With N. Korea

The Associated Press NICOSIA - Iran will ex-

port two million tons of crude oil a year to North Korea under an agreement signed in Tehran, according to a report by Tehran Radio monitored

here Thursday, The radio said the agreement was signed Wednesday by Foreign Minister Kim Yong Nam of North Korea and the Iranian oil minister, Gholamreza Aqazadeh Mr. Aqazadeh also announced that Iran would soon send a team of experts to North Korea to help with oil explora-tion, the radio said.

NORWAY: Dissension at Statoil

(Continued from first finance page)

increasing cost-effectiveness.

One source said the govern-

plastics production.

"Both times," the source added, "the board said it was fine, but tant that parliament must decide

"That will delay it by another few months."

The report said Statoil's "econo-

NatWest Raises Loan Rate

LONDON - National Westminster Bank PLC said Thursday it raised its rate on home mortgages by one percentage point, to 13.75

percent, after recent rises in other interest rates.

A spokesman for the bank said the rise for existing mortgages would take effect Jan. 1, with the increase in new mortgages starting Jan. 3. He added that the move followed recent rises in interest rates in general and also higher rates for the bank's depositors since Dec.

Separately, Woolwich Equitable Building Society, one of the largest in Britain, said it was raising its mortgage rate by 0.75 percentage point, to 13.50 percent, effective Jan. 1. Leading building Societies have said they expected to raise their rates in the New Year.

Market sources said higher British mortgage rates had been anticipated since the banks raised their base lending rates by one percentage point, to 13 percent, in late November. NatWest is the

first bank to announce an increase. The three other major banks said they had no immediate plans to raise their mortgage lending rates. A spokesman for Barclays PLC said, "We're reviewing the situation but nothing is likely to happen before Jan. 1." Barclays mortgage rate is now 13 percent.

JUNK: Some Investors Treasure It

(Continued from first finance page)

a share and has fallen 8 percent in value in the past year or so. That performance is better than bond funds that invest in high-quality securities. The values of such funds have declined by about 10 percent in the last year.

Investors, he said, are sticking with junk-bond funds because they offer high yields. Moreover, defaults in the junk-bond area have

Publicly traded junk-bond funds include Cigna High Yield Income Shares, the High Yield Income Fund, the High Yield Plus Fund,

the High Income Advantage Trust,

the High Income Advantage Trust II, the New America High Income

Mr. Herzfeld and Mr. Grant both said many investors were reassured because fund sponsors and boards of directors often had respected names.

and the Kemper High Income Trust, which all trade on the New

There also are two issues listed

on the American Stock Exchange: CIM High Yield Securities and the

York Stock Exchange.

USF&G Pacholder Fund.

Nevertheless, Mr. Herzfeld cautioned: "These junk-bond funds are more speculative than people realize. People associate the names of the manager of the fund with the quality of the portfolio. But junk is

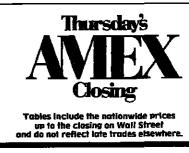
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BOOKS

THE PIANO TEACHER

By Elfriede Jelinek. Translated by Joachim Neugroschel. 280 pages. \$18.95. Weidenfeld & Nicolson, 10 East 53d Street, New York, N.Y. 10022.

Reviewed by Michiko Kakutani

LFRIEDE JELINEK'S Vienna, the city that serves as a backdrop for her new novel, The Piano Teacher," is a decadent, decaying place, a city whose dedication to art belies a deep moral corruption. It is a city where parents urge their children to study music and dance in hope that culture will rescue them from poverty and despair; a city where love, reason and compassion are all subordinated to the idea of art. "Only the things that have proven their worth will continue to do so in this city," Jelinek writes. "Its buttons are bursting from the fat white paunch of culture, which, like any drowned corpse that is not fished from the water, bloats up more and more.

One victim of the city's obsession with art is Erika Kohut, a pianist, whose dreams of a concert career have given way to a humdrum job as a piano teacher at the stuffy Vienna Conservatory. Erika (sometimes referred to, Kafku style, as Erika K.) is now in her mid-30s, and under her mother's watchful eye she has devoted most of her life to perfecting her musical art.

Her own dreams of glory having faded, she not only passes on her bitterness and frustration to her students - "coercion, extortion, intimidation" are her favorite teaching tools — but she's also come to view the entire world with a sour, jaundiced eye.

From her Nietzschean perspective, the city of Vienna is ruled by a "cloddish mob," ignorant, sheeplike people devoid of taste and sensitivity and incapable of recognizing her talent. Erika confirms her dark view of humanity by spending her free time in the filthiest neighborhoods of Vienna: the scurminy back streets of porno shops and peep shows where pimps and prostitutes ply their trade.

Since her father was packed off, years ago, to a mental
institution, Erika has lived alone with her aged mother, a
sharp-tongued harridan who monitors her every move.

Frau Kohut takes Erika's earnings as a piano teacher and hoards them, hoping one day to buy a larger apartment.

She prevents her daughter from wearing mylish clothes, discourages her from dating eligible men and in general nags her day and night. The relationship between the two women is acrimonious, sometimes even violent - Erika has been known to pull out tufts of her mother's

hair, while her mother has taken to shredding Erika's dresses. But in the end the two always make up, settling in for yet another evening in front of their television. Indeed Jelinek describes Erika's fortured relationship with her mother in such symbiotic, incestrously close

terms that the reader begins to suspect that the two of them are really aspects of the same person, an ego and superego locked in a fierce and never-ending battle for the possession of a soul,

Though neither can ever achieve total victory over the other, neither can survive alone. "They are enclosed together in a bell jar: Erika, her fine protective hulls, her mama," writes Jelinek. "The jar can be lifted only if an outsider grabs the glass knob on top and pulls it up. Erika is an insect encased in amber, timeless, ageless. She has no history, and she doesn't make a fuss. This insect has long since lost its ability to creep and crawl."

What threatens to release Erika from this bell jar of captivity is the arrival of Walter Klemmer, one of her students, intent on seduction. Eager to invert the student-teacher relationship, Klemmer wants to instruct Erika in the art of feeling and passion; he wants to make her subservient to his will. Erika, on her part, is alternately drawn to Klemmer and repulsed by the threat he poses to her comfortably unhappy life.

She, too, sees love as a game of power and control, and. she soon contrives a complicated plan designed to test Klemmer's strength and devotion. She writes him a letter detailing a grotesque series of sadomasochistic acts she wants him to perform on her. If he agrees to the letter's demands, she argues, it means that he's agreeing to carry out her orders — that is, by making her his slave he will, in fact, be acknowledging her as his master.

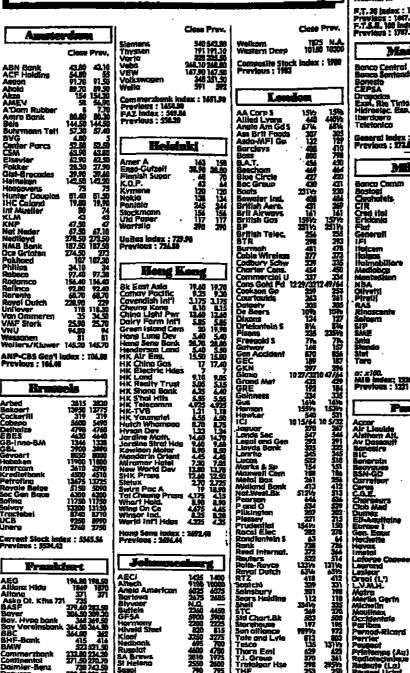
Jelinek, who won the Heinrich Böll Prize for her

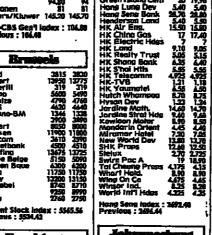
"outstanding contribution to German letters," describes Erika's bizarre relationship with Klemmer and her moth-er in flippant, matter of fact prose, and intermittently succeeds in making the reader see the power games that can underlie so many relationships, including those of student and teacher, artist and disciple, mother and Too often, however, her descriptions of Erika's violent

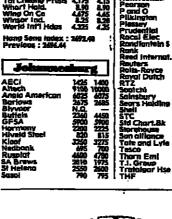
fantasies seem willfully perverse — as though they'd been concocted for the sole purpose of shocking the reader — and her relentless focus on the dark underside of Viennese life can seem equally artificial and contrived. In the end, it makes for a novel that depresses rather than

Michiko Kakutani is on the staff of The New York

Via Agence France Presse Closing prices in local currencies, Dec. 29



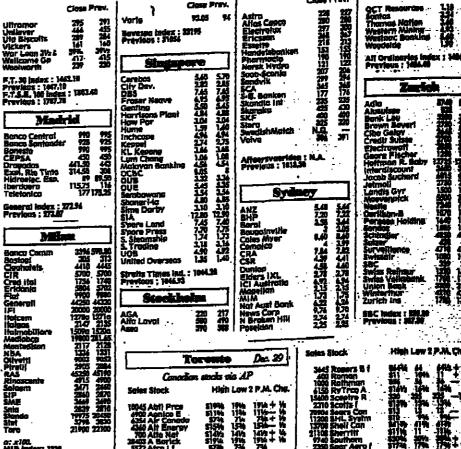


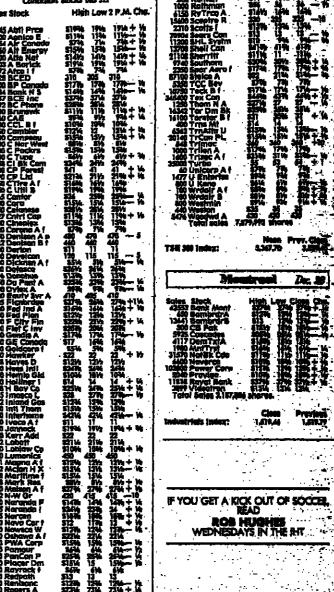


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IF YOU GET A KICK OUT OF SOCCES,

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BRIDGE

By Alan Truscott

C LAIRE Tornay, president of the jack combination. South won Greater New York Bridge Association for the last four years, made a special effort to visit and encourage clubs in her area. On Aug. 19, she played in a New York Mixed Pair event at the Cuibertson Club, and demonstrated her considerable playing skill on the diagramed deal. She reached three no-trump after West had opened one club.

On the opening spade lead she threw a heart from dummy and captured East's king with the ace. It was now clear that virtually all the missing high-card strength was with West. The diamond king and ten were allowed to win, and a heart was

ACROSS

1 Young Atlantic

6 Companies of singers 12 "Saling on

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15 Illumined by

18 French friend

23 Salamander

24 Proceed on 28 Condiment from evaporated ocean water 31 One who pads checks 32 Italian port city

34 Finnish lake, to a

42 Alfresco 45 Myra or Rudolf

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47 Color or duck

49 in need of a

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60 "... destruction that wasteth at ----": Psalm 91

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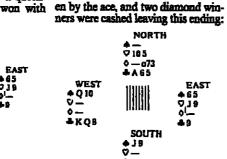
19 Feasts 21 Gusher West put in the queen, hoping that the king and drove out the ace of South would play him for a queen-

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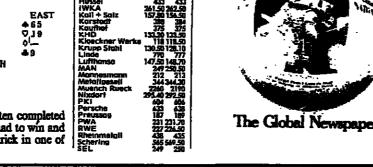
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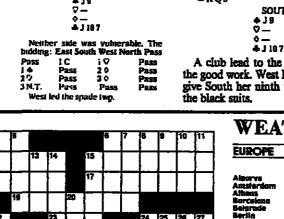


A club lead to the ten completed the good work. West had to win and give South her ninth trick in one of

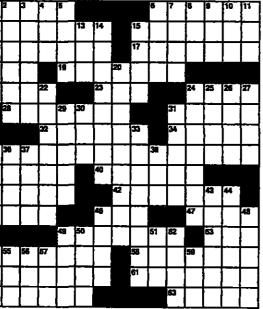
The Global Newspaper.







WEATHER



C New York Times. edited by Eugene Maleska

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JUMBLE THAT SURAMELED WORD SAME

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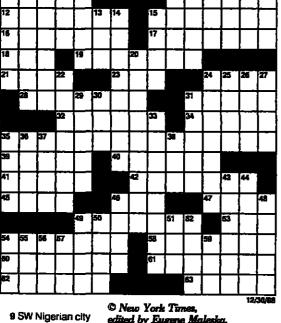
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PEANUTS I LIKE TO WATCH THE BIRDS FLYING SOUTH FOR THE WINTER









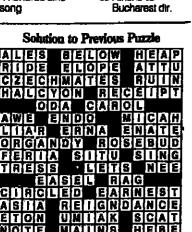


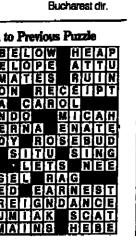












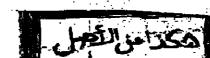


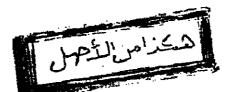








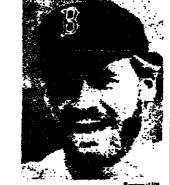




SPORTS

Boggs Cut By Knife In Attack

GAINESVILLE, Florida --Wade Boggs, the All-Star third baseman for the Boston Red Sox, was cut in the neck by a man threatening him at knife point, police said Wednesday. The inch-long (25-millimeter) cut was not serious enough to warrant medical attention



Wade Boggs: Lucky.

Boggs said.

"Luckily, no one was seriously injured," Boggs told The Gainesville
Sun newspaper from his home in Tampa on Wednesday evening. "It
was a volatile situation that could have grown into something big."
Police charged George Young Jr., 23, with armed burglary and two counts of aggravated battery. Edward Benjamin Cox, 31, was

charged with aggravated assault and carrying a concealed weapon.

Boggs, 30, said he was in his Jeep outside a Gainesville bar
showing a recently purchased 9mm handgun to two friends when
two men blocked them with their vehicle, according to a police

spokeswoman, Lieutenant Sadie Darnell.

Police said Young got out of the car carrying a knife, and Cox waved a .44-caliber revolver at Boggs and his friends.

As one friend, Chuck Hollowell, ran to flag down police, Young jumped into the back seat of the Jeep and held a knife to Boggs's throat police said.
"He said he didn't appreciate me being from Hillsborough"

County, Boggs said. "He said, 'I'd like to kill you,' and stuff like that. "I was saying 'Hey, we don't want any trouble here. We don't want anything to get out of hand,'" Boggs said.

He said he was cut when a third man in the Jeep, Stephen Minardi, yelled at Young and Young moved the knife toward Minardi.

SIDELINES

Tiny Anchorage Tops No. 2 Michigan

SALT LAKE CTTY (AP) — Alaska-Anchorage, a Division II school, stunned U.S. college basketball's No. 2-ranked team, Michigan, 70-66, Wednesday night in the opening round of the Utah Classic tournament. Alaska-Anchorage (11-2), using a panient offense, stayed close in the first half, then went on a 20-4 nm in an eight-minute span of the second half and scored its last nine points from the foul line. Glen Rice scored 24 points for Michigan (11-1), but missed three straight foul shots with the score 63-60. "You could see it coming," said Michigan's coach, Bill Frieder. "I didn't believe it would happen, but it happened."

Christie Urges Clemency for Johnson

LONDON (AP) - Ben Johnson of Canada should be allowed to resume his track career after serving a two-year suspension for drug use at the Olympics, according to British sprinter Linford Christie. "People murder people and they've come off with less," Christie, the silver medalist in the Olympic 100 meters, said Wednesday night in an interview with BBC Radio. But, he added, "Anyone caught after this should be banned for life — and I think life should be life."

3 Soviet Ice Hockey Players Arrested

STUTTGART, West Germany (AFP) — Three players on the Soviet ice hockey team taking part in the Deutschland Cup have been arrested after being caught walking out of a store with goods worth \$380.

The three, who were not identified, were released after bail was paid by the West German hockey federation, which organized the four-team invitation tournament. Officials said no decision had been made on whether to charge the players.

For the Record

Sugar Ray Leonard was offered \$5 million Thursday by boxing promoter Bill Mordey to defend his WBC super-middleweight title against Australian Jeff Harding in Sydney early next year.

(AP)
Christa Kinshofer-Gütlein, 27, the Olympic silver medalist from West Germany, announced her retirement Thursday from top-level skiing (Reuters)

because of a slipped disc in her back. Ralph Sampson of the NBA's Golden State Warriors was to undergo arthroscopic surgery Friday to have torn cartilage removed from his left knee and will be sidelined for at least four weeks.

Kevin Rooney, fired this month as the trainer of heavyweight champion Mike Tyson, was charged Wednesday night in New York with drunken driving, leaving the scene of an accident and resisting arrest. The women's World Cup giant slalom Jan. 3 in Maribor, Yugoslavia, has been canceled because of a lack of snow, as have the men's races Jan. 6-8 at Garmisch-Partenkirchen, West Germany. The women's race will be held later this season in the United States or Japan, the men's races

Ragamulfin, skippered by Australian Syd Fischer, still led Thursday in the Sydney to Hobart yachting race but was virtually becamed by very light winds. Ragamuffin was expected to arrive in Hobart on Friday afternoon, 24 hours later than first estimated,

<u>Ouotable</u>

• Quarterback Doug Williams, denying the Washington Redskins were man. He's been to so many places, sissippi's Gulf Coast. He got what undone by complacency: "We were hungry. We just didn't eat." (LAT) some places he's said goodbye twice.

This One's Buddy

By Dave Anderson

New York Times Service NEW YORK — Buddy Ryan has been Mike Ditka's buddy. And when the Philadelphia Eagles play the Bears in Chicago on Satur-day in the Super Bowl XXIII tournament, the two coaches will be on opposite sidelines. But unlike some opposites, these two don't attract.

"I've got the home-field advan-tage: I've never lost a playoff game in Soldier Field," Ryan was saying from Tempe, Arizona, where the Eagles were practicing this week. "Nobody else can make that statement." By "nobody else," Buddy Ryan meant Mike Ditka, whose Bears lost at Soldier Field to the Wash-

ington Redskins in each of the last two National Football League playoffs. Ryan, of course, became the Eagles' coach in 1986 after having been the Bears' defensive coordinator for eight seasons that cul-minated with their Super Bowl XX championship. Ryan had created the 46 defense. And after Ditka was hired as head coach in 1982, Ryan also created a separation of authority on the Bears' staff.

Indiana Wins

Liberty Bowl

MEMPHIS, Tennessee — Dave

Schnell passed for 378 yards and

two touchdowns, one a Liberty Bowl-record 88-yarder to Rob

Turner, as Indiana routed South

Carolina, 34-10, Wednesday night.

for 182 yards, set a Liberty Bowl record for most yards receiving.

Turner, who caught five passes

The defense intercepted three

South Carolina, 8-4, which is

passes, recovered a fumble and sacked Todd Ellis five times.

winless in eight postseason games, lost for the fourth time in the last

six games. Indiana, 8-3-1, ended a

two-game postseason losing streak.

All-America running back Anthony Thompson gained 48 yards on Indiana's first play from scrim-

mage, then ended the drive with a

seven-yard touchdown run. That was followed by Schnell's nine-yard scoring pass to Cal Miller and the Hoosiers led, 17-0, at halftime.

After the Gamecocks had closed

to 20-10, Schnell ensured victory

with his 88-yard pass to Turner on

the first play of the third quarter.

"Ditka never really told me what to do," Ryan once recalled. "I never let him. I said who played, how much and when."

According to Ditka, their "only real blowup" occurred on the sideline during the Bears' only 1985 loss. a 38-24 defeat in Miami. Ditka didn't understand why Ryan was using a linebacker, Wilbur Marshall, instead of a defensive back to cover Nat Moore, one of the Dolphins' swift wide receivers. At halftime, Ditka challenged Ryan to "step outside or shape up." Ryan later insisted that "nothin" happened." Ditka, when asked Wednesday

out in Sewanee, Georgia, replied, "I don't talk about things that aren't important." But then he didn't talk much to Ryan when they were together on the Bears. "In fact we hardly ever spoke," Ryan wrote two years ago in the introduction to Mike Singletary's book. "I'd just put the game plan on his secretary's desk and she'd

about Ryan before the Bears' work-

put it on his desk. Not that he understood much of it." As opposing coaches, Ditka and



Mike Ditka: 'Shape up.'

Ryan have had two regular-season confrontations, with the Bears win-ning both; by 13-10 in overtime in Chicago in 1986 and by 35-3 in Philadelphia in 1987.

"That game in Chicago, made it seem like the Super Bowl when I went back there," Rvan said. "During the warm-up I stood on the degrees below zero.

50. That's where Ditka and I used "The worse the weather, the bet-50. That's where Ditka and I used to stand watching the other team. ter it is for us because I got a

Is Not This Buddy

But that day Ditka stood on the 40. The big thing I remember about that game was Singletary coming by after the game to see me.

In Ryan's vocabulary, Ditka is always "Ditka," never Mike. Whenever Ryan talks about the Bears and mentions "Mike," he's referring to Mike Singletary, the middle linebacker who was his pet player on the team's defense. The Bears got a middle line-

backer better than ours," Ryan said of Singletary, who was named the National Football League defensive player of the year by The Asso-ciated Press on Wednesday. "But other than that, we're as good or better than they are at every position. And as far as our team not having any playoff experience, that's just an excuse if you lose." The weather forecast for Satur-

day in Chicago is for temperatures ranging from 15 to 30 degrees Fahrenheit (-9 to -1 centigrade), but no snow. On Wednesday it was 16, with a wind-chill factor of 8

any conditions," Ryan said of Ran-dall Cunningham. "He's like Joe Namath and O.J. Simpson, all the great ones. Joe Namath could throw in the wind at Shea Stadium, O.J. could run in snow and ice. And my quarterback's got a defensive coach who lets him be himself." According to Cunningham,

Ryan "controls the whole team," not just the Eagles' defensive unit. "On the sideline Buddy calls some of the plays when we're not doing well," he said of the coach who has developed the first black quarterback to be voted a Pro Bowl starter. "At halftime he comes out and tells you what we're doing wrong and what we have to do to win."

Ditka keeps saying that Mike Tomczak will be the Bears' starting quarterback Saturday even though Jim McMahon, recovered from a damaged knee, is apparently ready, But Ryan thinks Dicka is bluffing. "I think McMahon will be the

guy," Ryan said. "But sometimes the quarterback isn't that important. In 1984, when I was with the Bears.



Buddy Ryan: 'Got a shot.'

Ditka, he never hesitated.

ton with Steve Fuller at quarterback. The defense carried 'em.' And when the Eagles' coach was asked if he thought Saturday's game might boil down to a battle of wits between himself and Mike

"I hope so," Buddy Ryan said with a laugh, justifying his unbuddylike relationship with the Bears'

In AFC, if Passes Fail Feet Will Fly By Thomas George New York Times Service SEATTLE - The Seattle Sea-

hawks, in their 13 years in the National Football League, have had better players and better records. But they had never won the Ameri-can Conference West Division until this season, when their 9-7 record slipped them into the playoffs, and

(12-4) on Saturday afternoon in Riverfront Stadium in Cincinnati. We went 12-4 in '84 and we only got a wild card," said Dave Krieg, the Seahawks' quarterback. "We went 10-6 in '86 and didn't even make the playoffs. So, this is special. It's really strange how

things have worked out." injury and passed for 410 yards and four touchdowns in the 43-37 titleclinching victory over the Los Angeles Raiders. For the season, he has thrown 18 touchdown passes and has been intercepted eight times. This game shapes up as a passing

affair, since Boomer Esiason of the Bengals ranks first and Krieg second in the NFL in passing. "We're trying to put ourseives in a

position where we'll be ready for anything," said fullback John L. Williams as the Seahawks practiced this week in a bubble facility with the temperature set low. "Physically we'll be ready, but mentally it could be a different thing, especially if/we can't throw like we would like."

That would set up an intriguing matchup: a running attack for each team that features two No. 1 draft The Bengais have James Brooks,

who was the San Diego Chargers' No. 1 pick from Auburn in 1981, and Ickey Woods, who was a No. 1 The door to this year's playoffs pick from Nevada-Las Vegas this was opened by Krieg, who made a late-season return from a shoulder 1984, is 5 feet, 10 inches (1.77 meters) and 182 pounds (82.5 kilograms). Woods is 6-2 and 232. The Seahawks have Curt Warner,

who was a No. I pick from Penn State in 1983, and Williams, who was a No. 1 pick from Florida in 1986. Warner is 5-11 and 205, Williams is 5-11 and 226. Warner has practiced sparingly this week be-cause of an ankle injury but expects to be 100 percent by Saturday.

Brooks and Woods gave the Bengals the NFL's top rushing offense, Brooks running for 931 yards and Woods for 1,066. Operating behind one of the NFL's biggest offensive lines, both averaged more than 5.1 yards a carry. Both have long runs of 51-plus yards. Brooks, the tailback, is one of six All-Pros on offor 15 touchdowns and has his own scoring dance: The Ickey Shuffle.

Cincinnati averaged 169.4 rushing yards a game, Seattle 130.4, Cincinnati's defense allowed 128.6 rushing yards a game. Seattle's 142.9. Cincinnati scored 27 rushing touchdowns and allowed 18. Seattle scored 14 and allowed 14

"If it boils down to their two guys against us two," Williams said, "well, it will literally be the last one left standing. And we're not going to fall until we get that last extra yard that could be the difference in the ball game."

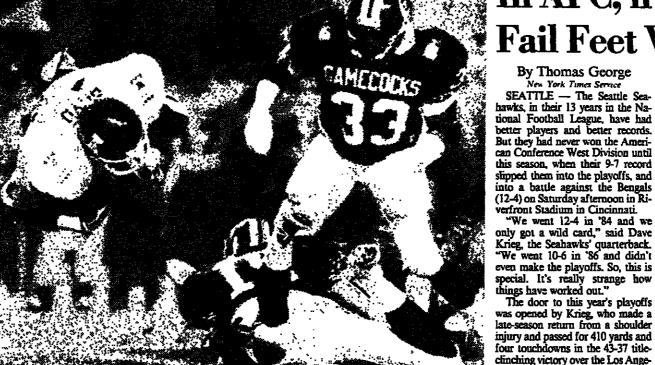
Chuck Knox loves to hear that. When one considers the changes that have engulfed his team in his six years as Seattle coach, leaderof water. Oh, no! He saw some- ship easily could have gone awry.

All-Pro safety Kenny Easely was forced to retire after last season

and holds nearly every team rush-Williams led the Seahawks in re-

ceptions with 58, ending Largent's string as the team's season reception leader since the franchise was founded in 1976. Williams rushed for 877 yards

the league for a running back duo. ESCORTS & GUIDES



Gene Boyd flew past South Carolina's Corey Miller as Indiana won by 34-10, but before only 39,210, the smallest crowd in the 23 years the Liberty Bowl has been played in Memphis, Tennessee.

Van Breda Kolff: Basketball 'the Right Way'

By William Gildea Washington Post Service

WASHINGTON — After coaching all those games, more than 1,200, at Princeton (he had Bill Bradley), the Los Angeles Lakers (Jerry West, Eigin Baylor and Wilt Chamberlain), the New Orleans Jazz (Pistol Pete Maravich), to say nothing of Picayune Memorial High School in Mississippi at the age of 60, after he was so long gone that he had been forgotten if not presumed dead by some, he's still at it, on the bench, off the bench, on his knees, falling to the floor.

At 65, he should know better. But Willem Hendrik "Butch" van Breda Kolff knows only one thing: ball, hoops, how to coach it. Of course it's always had to be his way, which he calls "the right way."
Van Breda Kolff — VBK — has always had to be right.

But being right has led to many goodbyes, made him a traveling

BASKETBALL

EASTERN CONFERENCE

NBA Standings

patetic career. He's drawn technicals, thrown chairs, in more places than anyone will ever count.

He's coached Lafayette, Hofstra, Princeton, the Lakers (and, in two bittersweet seasons made the NBA finals twice, once coming within two points of the title), the Detroit Pistons, the Phoenix Suns (he lasted seven games), the Memphis Tams of the old American Basketball Association, the Jazz, the University of New Orleans, the New Orleans Pride of the Women's Professional Basketball League and then - where'd he go?

To a little house on stilts on Mississippi's Gulf Coast. He got what

WEDNESDAY'S RESULTS

As an undergraduate, he flunked and some water. He wanted to be out of Princeton and, after serving alone. It almost killed him.

ready to take on Navy — was the one, the only, Butch van Breda said. "I've liked to teach it. Usually, Kolff. Veteran of 36 seasons, 13 I go to a place where the team

walked into an almost empty field get, the reward." house, he wondered in a deep, raspy voice, "Have they got all the game man. You have to work hard lights on in here?"

of resigned on her there. But they never legally separated, and she nev-er stopped loving him, nor he her. Knowing trouble when he sees it, he suspected the other evening that

They've never fallen out of touch. "I would predict," she said, seated in the first row of bleachers behind him, "that they would carry him off the court." Van Breda Kolff calls himself a

"purist" of the game, and it's what's driven him while it's driven others to distraction. He thrives on taking bad teams and making them good.

maybe his heart was giving out on him. It was diagnosed as an irregular heartbeat. He went on with medicine and, often, had a doctor sitting behind him at games. One night last January, he signaled the doctor and the two departed in midgame. He was hospitalized, his days of courtside histrionics in jeopardy. Yet he came back fast enough to complete the season and say goodbye, leaving a good team to rebuild a 6-21 team.

has dropped all of its non-Division I out of Princeton and, after serving in the Marines, flunked out a second time. He graduated from New York University in 1950, and played guard for the New York his knicks from 1946 to '50. Then came coaching, an explosive, perinceton and, after serving alone. It almost knied nim.

So when a bus from Hempstead, opponents and loaded up. But to the suggestion that Hofstra is thinking big, van Breda Kolff only shook his head, laughed and groaned a guttural high school teams, but more on the "I've always liked the game," he

> teams and a 404-181 college record, hasn't been doing well. You go out a hefty winning percentage of .696. and hustle and try to recruit and get He was tall and hunch-shoul- 'em to play your style of ball and dered. His hair was gray and, for see 'em come around and look him, cut unusually short. As he good. That's the satisfaction you His game? "I'm not a power-

> and all that, and the rebounding, Even Florence showed up to but I like to see the game played watch. Talk about devoted wives. right. I don't like all this inside She'd been with him through obscurity, the glory years of Princeton, the almost-NBA title in Los Angeles, then Detroit, to New Orleans, gives you. If they play you loose, which was her husband's kind of shoot. If they don't, you can do cuts, town. He liked to go "cut," drink and backdoors, things like that beer, smoke cigars and, well, he sort Pass. It makes it a thinking game, a passing game. That's when it's fun."

more awaited him. Watching his Hofstra team (3-4) warm up for Navy (2-3), he said, "It's going to be pretty difficult tonight. I haven't seen a ball go in. Look at all these bricks goin up there."

But the Flying Dutchmen led red. Down by one with 16 sex Navy by nine with 11 minutes left. left, a Hofstra player was calle VBK screamed for a foul against Navy for a "moving pick." He got While interviewing for the La-it. A Navy rooter shouted, "You fayette job in 1984, he thought going to let van Breda Kolff call everything?" An official glared. Then VBK fell forward to the

floor as Hofstra missed a layup.
"We'll get it. We'll get it," he
encouraged his players. "Oh my God. Oh my Lord. "Get back, Get back." "Can you believe this? Can you

believe this? A technical foul was called Navy's coach, Pete Herrmann. Slumping into his seat, VBK said, "I better keep my mouth shut."



But Navy rallied. Hofstra repeatedly missed lay-ups and short shots. As the lead evaporated, VBK stamped the floor. He had a cup in his hand. A cup

You could see it coming, the fury in the man and the water from cup. He wound up, hesitated there it went, flung behind his He called a time out. His pi listened to him with what see mixture of wonderment and i Down by three points wit

an intentional foul. Two sho Navy, and the ball. That did You'd have thought it wa worst call he had ever seen though he would know when he calmed down that it was Hofstra's ing record. 32 percent shooting that did him in.

He screamed in anguish.

The game ended, and the music began, the "Navy Blue and Gold." Almost everyone stopped. Officers held their hats over their hearts. VBK, marching head down across

the court. He was alone with his thoughts, knowing he was right, he was right, he was right...

in the man and the water from the cup. He wound up, hesitated, and there it went, flung behind his chair. He called a time out. His players listened to him with what seemed a mixture of wonderment and fear. Down by three points with 58 seconds left, he swirled, his face red. Down by one with 16 seconds left, a Hofstra player was called for an intentional foul. Two shots for Navy, and the ball. That did it. You'd have thought it was the worst call he had ever seen, al-	with a kidney ailment. Dary Turner, a tough receiver who had 36 touchdown catches in four seasons, was traded between seasons Linebacker Brian Bosworth is still on the injured reserve list with a shoulder injury, although he could return in time for the Super Bowl. Leadership and stability is provided by Krieg. Steve Largent and the veteran Jacob Green at defensive end. There is also Warner, a six-year pro who has rushed for 1,000-plus yards in four seasons
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The place was still, except for this season, Warner for 1,025, and together they accounted for 53.8 percent of Seattle's offensive yards. That was the highest percentage in

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SCOREBOARD FOOTBALL

The Weekend's College Bowl Games and NFL Playoffs

(All times are Eastern Standard Time)
SATURDAY
Peach Bowl: lows v. N. Carolina State, 1 P.M.
NFL Playoffs: Philadelphila v. Chicage, 12:30
P.M.; Seattle v. Cinclasoff, 4 P.M.
SUNDAY

Holl of Fame Bowl: LSU v. Syrocuse, 1 P.M. Clirus Bowl: Clemson v. Oklahoma, 1 P.M. 096, 12;30 Cotton Bowl: Arkonsos v. UCLA, 1:30 P.M. Flesta Bowl: N. Dame v. W. Virginia, 4:30 P.M.

SUMDAY

Gotor Bowl; Georgia v. Michigan State, 8 P.M.

NFL Playoffs; Houston v. Britislo, 12:30 P.M.;

All Innertic v. S. Summary v. S. Summary v. Summary v. S. Auburn. 8:30 P.M.;

All Innertic v. S. Summary v. S HOCKEY NHL Standings (2): Yzerman (35), Shats on goal: Detroit (on

Purboj 8--11--25; Boffolo (on Honlan) 12-1710--41.
Hariford 2 2 8 8-4
Gerbec 1 2 1 8-4
Young (10). Maciver (1). Anderson (3). Dineen (18); P.Stoshw (15). Marols (2). Goulet
(14). Poddubny (23). Shots an geni: Hariford
(on Gosselin) 10-7-5-2--24; Quebec (on Skioridentics) 11-8-7-3--99.
St. Louis 1 8 1--2
Winnipeg 3 8 3--6 Partick Division

W 1. T Pis GF
22 11 3 47 149
19 14 5 47 149
18 14 5 47 124
19 18 2 40 154
19 17 7 23 127
9 24 2 20 105 Wishipes 3 0 3-6 McBain (20), Hawerchuk 2 (16), Elynuik Adams Division

24 10 6 54 156 122

14 15 9 37 118 113

16 17 4 36 130 145

13 21 4 30 136 171

13 26 3 29 127 125 (14), Donnelly (6), Ashiron (13); Poslowskii (12), Evans (3), Shots on goal: Si. Louis (on Reddick) 14-14-8-36; Winnipes (on Rien-

Raddick) 14-148-34; Winnipeg (an Riemdeou) 11-10-13-34.
Minngsptu 8 2 1-3
Chicago 8 4 8-4
Cormer (18), Sovard (15), Mannoon (10),
Crégition (8): AkcRoe (8), Chambers (2),
Habscheid (10), Sobrs on goal: Minnesoto (an Pong) 10-9-4-25; Chicago (an Cosey) 12-13-11-34.

NHL Leaders

Lemieurs, Pgh Nicholiz, LA Gretzky, LA Yzerman, Det Brown, Pah Kurri, Edm Robitalie, LA Savord, Chi Tikkanen, Edm Carson, Edm

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McGeo 9-17 2-223. Conner 7-10 5-6 19: Person 15-24 4-6 34, Miller B-15 1-2 17. Rebounds; Indi-ana 49 (H-Williams 12), New Jersey 53 (B.Wil-liams 12). Assists: Indiana 31 (Skilles 17), New 18 8 492 15 12 556 12 13 480 12 16 429 7 17 5292 7 19 249 | Homs 12). Assists: Indiana 31 (Skiles 17). New Jersev 30 (Conner 12).
Charlotte 22 26 29 21— 92 Cleveland 24 28 37 31—122 Horper 8-17 2-2 19, Price 6-12-3-3 16; Reid 8-17 3-4 19, Curry 9-17 6-0 18, Rebounds: Charlotte 44 (Cureton 6). Cleveland 51 (Ehlo 9). Assists: Charlotte 32 (Green 8). Cleveland 30 (Price 12). Phoenix 24 27 24 25—100 Detroit 7-16 30-12 26. Dumars 8-14 4-5 30: 31/2 51/2 7 10 20 5 .800 19 7 .731 18 9 .667 15 10 .600 13 12 .520 5 21 .172 Phoenix
Defruit
28 27 27 24—lte
Dontley 7-16 10-12 24, Dumors 8-14 4-5 29;
K.Johnson 9-18 2-3 28, E.Johnson 8-20 4-4 20,
Chombers 8-26 2-3 18, Rebessés: Phoenix 55
(Chombers 12), Defruit 67 (Rodmon 14), Assistat Phoenix 26 (K.Johnson 13), Defruit 21 WESTERN CONFERENCE Islon 17 10 430 16 11 593 15 11 577 13 12 530 11 14 449 10 17 370 6 16 250 LA Clipper:

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Red Lobster Classi
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Villenova 84, Auburn 83
Sugar Rowi Classic
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Utah 29 24 25 18—74

Matone 8-17 5-421, Boiley 8-16-2-218; Berry 513-4-6 15, Plinckney 6-12-3-14, Rebeards: Secremento 5 (Plinckney 11), Utah 71 (Matone 16), Assists: Socramento 19 (McCray 5), Utah 28 (Stockton 14). 28 (Stockton M).
Paliodelphia 31 25 29 35—122
LA. Laiters 34 41 21 30—122
Johnson 9-158-1824. Scott 9-174-522; Borriely
12-18 11-13 3a. Gminski 7-12 2-4 16. Rebessds:
Philodelphia 45 (Gminski 14), Los Angelas 4
(Johnson 10). Assists: Philodelphia 31

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industrials index:

IF YOU GET A KICK OUT OF SOUS

THAT SCRAMBLED WORD BUE

ROB HUGHES WEDNESDAYS IN THE M

6.46.32 6.46.326

TRANSITION BASKETBALL Noticed Baskettell Association CLEVELAND—Waived Gary Voce, forward NEW JERSEY—Put Keith Law center-ford, on injured list.

PORTLAND-Activated Jerry Sichting. from injured list. Put Craig Neal, on injured list. FOOTBALL National Football League LA. RAIDERS—Fired Charlie Summer, de-

3mythe Division
24 7 5 53 150
24 13 1 49 200
20 13 4 44 171
14 14 6 34 142
14 19 5 33 123

WEDNESDAY'S RESULTS

Flesia Bowl Classic Arizona 104, Loyola, 111, 82 Pilisburgh 90, Northwester

OBSERVER

Know-It-All Critics

By Russell Baker

EW YORK — I have long Nintended to become as knowledgeable about the arts as that critic who reviews them for wise-guy weekly publications.

Surely you have read his reviews. If he goes to a Rembrandt exhibition, he spends most of the review talking about Rembrandt's debt to Masaccio or Vlaminck or some other painter I have never heard of. Reviewing the new bodice-ripper y Isnette Passionella, he finds the fluences of James Fenimore Cooper, Pushkin and Celine giving sur-

prising depth to the book. Sent to a movie, he awes you with 2,000 words declaring it inferior to the tragedies of Racine, the short stories of Chekhov and the essays of Hilaire Belloc, not to mention the Brahms quartets, which he will compare unfavorably with early works of the Clambake Trio.

This reviewer is familiar with every painting ever painted, every writer who ever wrote, every theatrical enterprise ever enterprised,

very musical note ever played. I do not doubt that he is. Experience has proved that some people indeed know everything. As a mere tot, I found them disguised as schoolteachers who wouldn't let me clap the crasers because I couldn't spell "Iroquois" as flawlessly as

When collapsed into middle age, I encountered them as college students on the very best campuses sneering at me for guessing that the "Establishment" was just the figment of some satirist's imagination.

I suspect the reviewer cited above is less interested in telling me the cultural news than in reminding me that I don't know Vlaminch fregn Minsky; that I still haven't gor around to reading Pushkin or Celine; that I am physically incapa-ble of reading James Fenimore Cooper without lapsing into coma; that I can distinguish a Brahms quartet from Beoth ven's Ninth Symphony only because the Beethoven is noisier, that —

But never mind. You see his game. Like the comedian on "Saturday Night Live" who used to say "I'm Chevy Chase, and you're not," he is saying, "I am conversant with all art, and you are a patheti-cally undereducated numbskull." While his manners may be lout-

ish, the truth of his insinuations cannot be denied. For this reason, I have long meant to marinate myself in music, literature, painting and theatrical expression, until no reviewer could drop the name of an artist or an artwork that was beyoud my recognition.

This good work has finally begun, thanks to the recent gift of a compact-disk player which now enables me to hear the finest music performed as purely as though the Philadelphia Orchestra were play-

ing right in my sitting room.

Getting this miracle of Japanese technology to work took six hours and an electrical engineer equipped with a screwdriver scarcely bigger than a needle, but culture should never be cheapened by coming

I had a dozen recordings of the music of Francis Poulenc, Upscale reviewers love to drop the name they are writing about.

I planned to see a movie called "The Naked Gun," and — let me be candid — thought it would be nice to write a column discussing it at a more sophisticated level than the average daily movie critic can reach. I planned to say something about moments in "The Naked Gun" which were "suffused with the spirit of the ineffable Poulenc."

Naturally, being a journalist of integrity, I wanted to soak up Poulene's spirit before writing. So Poulenc went on the CD player, and I settled down with James Fenimore Cooper's "Leatherstocking Tales." Yes, killing two birds at once. I thought it would strengthen my proposed movie column to say that The Naked Gun," while influenced by Poulenc, owed a large debt to Natty Bumppo.

Mine is a small sitting room, measuring 15 by 14 feet. Put the Philadelphia Orchestra in there and even the deadly James Fenimore Cooper cannot overpower the racket and induce his famous coma. Cooper and Poulenc combined, however, can produce a headache as pure as a Giotto circle and as thunderous as Milton's

Needing instant relief, I squelched Poulenc, dropped Coo-per and ran to see "The Naked Gun." It can't hold a candle to "The Castle of Otranto."

New York Times Service

Packing Up Memories of Winfield House

New York Times Service

TONDON — "We always try to Leave a house better than we found it," Carol Price said, referring to summer places she and her husband rented when their children were young But since 1983 Price's husband

Charles H. Price Jr., a banker from Kansas City, Missouri, has been the U.S. ambassador to Britain, and the bouse in which they have been tenants is Winfield House in Regent's Park, one of the premier ambassadorial residences in the world.

For the last year, with a new administration and a new ambassador on the horizon, Mrs. Price has been occupied with living up to her usual goal. "We see living at Winfield House as a temporary privilege, and we have done the best job we could to maintain it,"

Even as they prepare to leave London on Feb. 28, the Prices are still involved in the many sides of diplomatic life. This week, they have been meeting and sharing the anguish of relatives of those who died in the bombing of a Pan American World Airways plane in Scotland.

Part of the embassy role is to do, in a human tragedy, all that can be done," Mrs. Price said. Winfield House is no ordinary domain. Its 12 acres of private ounds in the middle of Regent's Park are probably second only to those of Buckingham Palace in central London.

The neo-Georgian brick house was built just over 50 years ago by Barbara Hutton, the Woolworth heiress. It replaced a dilapidated herress. It reputed a mow-pub-neoclassical villa in the now-pub-lic park designed by John Nash in the early 19th century as a garden city. Hutton, who named the mansion after her grandfather, Frank Winfield Woolworth, returned to the United States in 1939. In 1946 she gave the house to the United States as a residence for the American ambassador; it has housed nine ambassadors since 1955.

Just inside the 20-room house's cortico there is a central reception hall with fluted columns that donbles as a ballroom. On one side are two drawing rooms, the Garden Room and the Gold Room, with French doors opening to the gardens. Opposite are the family



June 1988: The Prices (in back) welcome President Reagan and his wife Nancy to Winfield House.

Graeber, California designers.

of the Prices' own treasures, like a Chinese Chippendale mirror that bangs in the Garden Room

against the rare Chinese wall cov-

ering of painted butterflies, birds

and peonies on a bright green

One night in October 1987 hur-

ricane-force winds struck Lon-don, demolishing the Winfield

greenhouses and uprooting some

The State Department provid-

ed emergency funds, and to manage the repairs, Mrs. Price hired a

new head gardener, Stephen

Crisp. Formerly the gardener at Leeds Castle, he was trained at

Wisley Garden, the Royal Horti-

cultural Society's garden in Sur-

Gardens in Pennsylvania.

rey, England, and at Longwood

Crisp recently described the

and state dining rooms, both pan-cled with boiserie. In the family quarters upstairs there are two sitting rooms in addition to six bedrooms, plus baths, one of them an original Art Deco marble

The old days of ambassadors arranging residences to suit themselves are gone. Ambassadorial residences are treated more like historic properties. The State Department keeps track of the art and antiques accumulated in

Since 1986 a nonprofit group, Friends of Art and Preservation in Embassies, has commissioned Sotheby's to inventory and apraise valuable furniture and art in U.S. embassies. In 1987, the value of the art and furnish Winfield House was estimated at \$3 million.

The art includes a full-length portrait of Thomas Jefferson by the British artist G.G. Stapko and genre paintings like Nicolas Antoine Taumay's "Italian Comedians." There are also paintings on loan from the National Gallery of Art in Washington and the Pennsylvania Academy of the Fine Arts in Philadelphia that were chosen by the Prices; the next ambassador will make his own selections

Early in her husband's tenure Mrs. Price, who is on the board of

TODAYS

INTERNATIONAL

REAL ESTATE

MARKETPLACE

Appears on

page 8

YKSUNAL MESSAGE

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the Friends group, restored the drawing rooms and dining rooms landscape as "still an 18th-century park filled with incidents for to the style given them in the early 1970s by William Haines and Ted the visitor, beginning with the cir-cular route through the boscage that fringes the lawn." This cano-They refurbished the residence py of trees and shrubs screens off

for Ambassador and Mrs. Walter ost of the cityscape. A. Annenberg, who also donated antiques they bought for Winfield Crisp and his staff of three have cleared debris to redefine the wooded area and have planted 12 trees. Crisp also plans to introduce North American trees, to be Graeber oversaw the Prices' work with his English associate, Dudley Poplak, re-establishing the 18th-century style of the planted by distinguished gue Last summer the Prices planted oms and also integrating some the first, a sweet gum tree.

Also reclaimed was a glade, Dingly Dell, filled with woodland plants, camellias, and crab apple and pear trees, the latter dating to the 1829s. A path leads to old brick tool sheds and potting rooms and brand-new green-houses built by Cambridge Glass. Neat rows of potted plants line paths to the house.

In addition to the greenhouses two cutting gardens provide ma-terial for Crisp's imaginative ar-rangements. For a dinner for the Duchess of Devonshire he constructed an English hedgerow down the center of the table.

Mrs. Price likes to plan a large reception for the day after an important dinner to make the most use of the decorations. The Prices give intimate dinners for 10 as well as large, glamorous affairs on the terrace.

that seat up to 72 people at round

Last June when the Prices gave their annual Wimbledon reception at the start of the London season, the gardens were at their peak. The 50 state flags lining the back terrace and a new long bed with white Iceberg roses framed by bluish Munstead layender bespoke a spanking American style

There has also been some lastminute interior work by Poplak
"to maintain," he said, "the feel
and continuity of the reception
rooms as the Prices' antiques and
porcelains are withdrawn." porcelains are withdrawn

With a grant from the Friends there is new damask and needle-point upholstery for the Gold Room, which will lose the Chinese scrolls lent by the Nelson-Atkins Museum of Art in Kansas City, Missouri.

To replace the Prices' own table service, Lenox donated a new set for official use, with heavy, gold-rimmed service and dessert plates displaying the embassy seal, the rest in a pattern of fruit and flow-

Poplak has been there, setting the long-vacant house to right But it will be difficult, Mrs. Price said, to leave the long summer evenings at Winfield House, din-ing with friends under an awning

Award to Raquel Welc A California appeals court hi upheld Raquel Welch's \$10-millic award in her lawsuit against Metr Goldwyn-Mayer and others ow her firing from the 1980 mov "Cannery Row." Justice Arleig Woods unheld Welch's argumen that she was fired without reason except to make her a scapegoat fol cost overruns. Welch was replace by Debra Winger. "Cannery Row! which also starred Nick Noite, wa a box-office flop. Weich has had a movie role since. The de dants included MGM, its J dent, David Begelman, an movie's producer, Michael P

PEOPLE

Appeals Court Uphold:

Jeans Yeager, one of pilots who made the first flight around the globe wit fueling, was selected by the States Jayones as one of the Outstanding Young Americans for 1989. The 51st annual awards w be presented Jan. 14. Yeager, 35, d Nipomo, California, has set 18 aviation records in the past decade, the best known her 1986 unrefueled, round-the-world flight as co-pilot with Dick Rutan on the experimental plane Voyager.

Paulina Porizkova, the heartthrob of readers of the Sports Illustrated swimsuit issues, is getting married to Rick Ocasek, the former frontman for the Cars. Once Ocasek's divorce from his wife of 17 years is finalized, the couple will marry. It's not going to be a cheap divorce. The Boston Herald says Ocasek's wife will get some \$4 million in real estate, three cars worth about \$70,000 and \$3,000 monthly child support payments for their sons, Eron, 15 and Derek, 7. She gets to keep all the furniture and Ocasek gets to keep four Andy

Liza Minnelli is taking a detour from her tour with Frank Sinatra and Samey Davis Jr. for a New Year's Eve show on the island of Hawaii, but she says she cannot wait to get back to her "rat-pack-ers." The trio will reunite for a performance at the Super Bowl and shows in Tokyo, a tour Minnelli said she was eager to resume.

Nepal celebrated King Birendra's 44th birthday with a mammoth procession to the royal palace and the release of 177 prisoners.

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